

# Herald

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Style

TODAY

Drama in the Details, Page 10

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## King Hussein Chooses Eldest Son as His Heir

Prince Abdullah, 37, an Army Major, Is Anointed as the Jordanian Successor

By Douglas Jehl  
New York Times Service

CARDO — King Hussein of Jordan has completed a remarkable change of course by anointing his eldest son, Prince Abdullah, as next in line for the Hashemite throne. Jordanian officials said Monday.

Prince Abdullah, who turns 37 on Friday, is an army major general who heads Jordan's special forces. He is said to share some of his father's common touch and is popular within the country's tribal-dominated military, a bedrock of support for the monarchy. But he has not been tested outside the armed forces.

Less than a week ago, few in Jordan had doubted that Prince Hassan, the king's 51-year-old brother and his designated heir for 34 years, would be next to assume the crown.

But since returning home on Jan. 19 from six months of cancer treatment in the United States, the king has turned

that assumption upside down. In place of Prince Hassan, a scholarly, Oxford-educated technocrat who is well-versed in economic and foreign affairs, the 63-year-old king has now chosen in Prince Abdullah a career soldier about whom much less is known.

Like King Hussein, Prince Abdullah attended the British military academy at Sandhurst, England. A biographer, James Lunt, wrote in 1989 book "Hussein of Jordan" that Prince Abdullah was in many ways remarkably like his father in character.

On infrequent occasions, Prince Abdullah has served as regent in Jordan, with the power to oversee the country during the absence of the king and other senior members of the royal family. But some of his associates have said that he has never shown much ambition outside the army.

The king, who over a 47-year reign

See JORDAN, Page 4



Prince Abdullah, the eldest son and now the heir of King Hussein.

## China Insists It Opposes Devaluing Its Currency

Talk of Cut in Yuan's Value Hits Asian Markets

By Philip Segal  
International Herald Tribune

HONG KONG — China's central bank insisted Monday that it would defend the value of the yuan after an article in an official Chinese newspaper reawakened fears of a devaluation and sent share prices and currencies plummeting across Asia.

A spokesman for the People's Bank of China dismissed the article in Sunday's English-language *China Daily* as "a private opinion" that did not "reflect the point of view" of the bank.

While the article noted that Chinese officials opposed a devaluation, it quoted "some analysts" as saying that a devaluation of the yuan "would not definitely be a bad thing and may not trigger a fresh round of currency devaluation."

Investors in many Asian markets interpreted the comments as a shift in Beijing's official policy of keeping the yuan stable.

Before this year began, analysts were saying that a devaluation of the currencies of Brazil and China could throw the world's markets into disarray and the global economy into recession, because the competitive devaluations that could follow would shut off export markets for the United States and Europe

and make foreign debt in the developing world harder to repay.

Brazil devalued its currency this month, and the comments in China Daily led some analysts to conclude that China was getting ready to do the same.

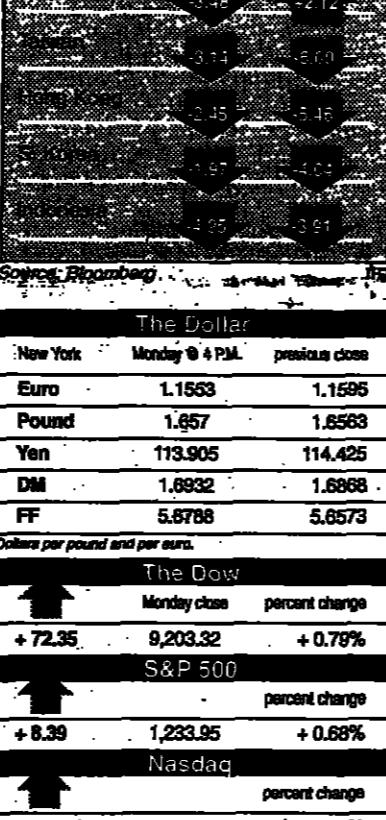
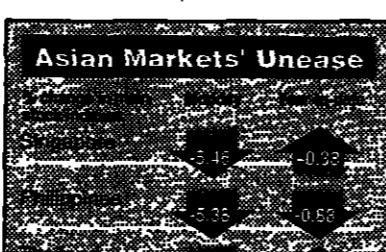
"The Chinese government is floating trial balloons simply in order to cushion

the psychological shock to the markets," said Stratfor Asia Intelligence Update, a U.S.-based political and economic forecasting firm. "It is now obvious that we are very close to devaluation."

But a spokesman for China's central bank said Monday that the newspaper report did not represent the government's position, the AFX news service reported.

"China will stick to last year's policy of maintaining exchange-rate stability," the spokesman said. Prime Minister Zhu Rongji made a similar pledge during a meeting with Sisavat Keobounphan, the prime minister of Laos, *Agence France-Presse* reported, citing a report on China Central Television.

See YUAN, Page 6



## Religious Clashes Leave Indonesia Town Stunned

By Mark Dodd  
New York Times Service

AMBON, Indonesia — At least 40 Christian villagers including women and children were killed by a Muslim mob in a single incident outside this provincial town, days after bloody clashes erupted between the two communities last week — the worst violence in Indonesia since May.

Details of the massacre Thursday at Telagakodok, about 40 kilometers (25 miles) north of Ambon, were confirmed Monday by a senior local government official and Roman Catholic priest.

Cornelius Bohm, a Dutch-born Roman Catholic priest based in Ambon, said the massacre had occurred after an enraged Muslim community at nearby Hito learned of mosques being burned in Ambon at the outset of religious clashes last Tuesday.

The official death toll from five days of rioting, which spread to outlying areas around Ambon and the neighboring island of Seram, now stands at more than 50, although local church and government officials said the final death toll could easily exceed 130.

With more than 5,000 soldiers and police deployed to restore order, thousands of people who last week sought sanctuary in army and police compounds were returning home while stunned residents started a huge cleanup

of this once-picturesque port town, parts

of which look like a war zone.

Along the waterfront, among the ruins of the gutted three-story fish market, dogs scavenged in piles of garbage, burned-out kiosks and several crates of stinking, rotten lobster.

Municipal tractors and lorries were clearing roads choked with tons of rubble including burned tire barricades, shells of incinerated cars and motorbikes.

Damage is estimated in the millions of dollars; universities, schools, banks, shops and clinics remain closed, causing food shortages and ideal conditions for a looming public health problem and humanitarian emergency for hundreds made homeless.

Escorted in convoy by armed police, a small group of foreign journalists was allowed to visit Ambon, under military curfew, Monday. The 36-kilometer road between the airport and town passed through some of the worst-hit areas.

Not much was left of the village of Nania, formerly a harmonious bayside community where Muslims and Christians were neighbors. Almost the entire village, with a population of more than 1,000, had been torched.

Some church leaders said that Muslim and Christian communities, which are virtually the same size and have lived in near harmony on Ambon for decades, had been forced to take sides following other recent religious clashes.

ing to the Arab League's failure at a Sunday meeting of foreign ministers in Cairo to condemn the Desert Fox strikes by the United States and Britain.

In Basra in southern Iraq on Monday, journalists saw about 50 houses badly damaged and four others completely destroyed. Basra residents had said earlier by telephone that at least 12 people had been killed and 37 injured in the attack.

The official Iraqi press agency, INA, reported that civil defense teams ferried wounded Iraqis to hospitals and tried to recover bodies from the rubble of buildings. A Western reporter in Basra said he saw a house that was destroyed and three others that were damaged. He said he was taken to a hospital where he saw severely injured children.

"Civilians, children, women and elderly people" were among the casualties, according to the Iraqi press agency.

In the skies over Iraq on Monday, American planes fired on Iraqi air defense sites in both northern and southern Iraq.

In at least one case in the north, Iraq fired a surface-to-air missile at an American plane but missed.

The initial attacks were northwest of Basra, where U.S. Air Force and Navy jets fired at an Iraqi surface-to-air missile site and "associated integrated air defense systems," according to a statement from U.S. Central Command headquarters in Tampa, Florida, which is in charge of all American forces in the Gulf area.

The American planes launched their missiles "in response to Iraqi incursions in the no-fly zone," it said.

A spokesman for the U.S. Central Command said the American jets were threatened by Iraqi anti-aircraft artillery and four Iraqi MiG fighters flying in the southern no-fly zone.

Several hours later, U.S. aircraft patrolling the no-flight zone over northern Iraq were targeted and fired upon by at least one Iraqi surface-to-air missile and by anti-aircraft artillery near the city of Mosul, a U.S. spokesman said.

Iraq made no mention of any incidents in the north.

All of the U.S. airplanes returned safely to their bases, officials said.

U.S. warplanes patrolling the no-flight zones to protect ethnic minorities have been firing missiles regularly at Iraqi air defense systems in response to being "painted" by radar from the Iraqi positions, which indicates that the aircraft are about to be fired on.

Iraq's information minister said in Baghdad that the Basra incident killed several people and left dozens wounded.

The minister, Humam Abdel-Khalil, spoke with reporters shortly after the official Iraqi press agency said a missile hit the Jumhuriya neighborhood of Basra. The agency accused the jets of targeting "heavily populated areas."

(AP, AFP)

## China's Telecoms Battle

State Firm Fights Hard to Fend Off Competitors

By John Pomfret  
Washington Post Service

FUZHOU, China — When Chen Zhi and Chen Yan began enticing shoppers at their electronics store with free calls to the United States via the Internet two years ago, the brothers thought they had discovered a snazzy way to hawk their wares.

"Five free minutes to the U.S.A.," read one ad promoting the sale of digital video-disk players. Lines formed and business boomed. The brothers even set up a phone service, selling calls to the United States at a fraction of the state monopoly's price.

Then things got ugly. Representatives of China's telephone monopoly, China Telecom, swooped around the store, in a riverside village 30 kilometers (18 miles) south of this provincial capital. Acting on orders from China Telecom, the local police arrested the brothers about a year ago, seized more than \$6,000 and their computer and accused them of "endangering national security" and committing "a new type of crime."

In a case being closely watched in Beijing, Chen Zhi responded by suing the police, arguing that his actions were

not criminal because there was no law banning Internet phone service. (Such a law was approved in September, nine months after the Chen brothers were shut down.) Last Wednesday, Mr. Chen won the first round in his case and now has hopes of getting his money back and clearing his name.

Chen Zhi and Chen Yan are foot soldiers in a war over how the people of the world's most populous nation will communicate. The little battle in Fuzhou also cuts to the heart of other issues that are key to China's future, such as how much market competition will be allowed, whether Prime Minister Zhu Rongji can overcome bureaucratic obstacles blocking economic reforms and whether the free flow of information, crucial for economic development, will be hindered by political concerns.

On one side of the barricades, bristling with cash and political heft, is China Telecom, a gargantuan telephone monopoly that employs 1 million people and

See CHINA, Page 6

## AGENDA

### Ousted Israeli Aide Hints At Secret Lebanon Talks

The departing Israeli defense minister, Yitzhak Mordechai, hinted Monday that Israel was conducting secret talks on its military involvement in Lebanon, but he declined to disclose details.

"Some type of negotiation is being conducted," Mr. Mordechai told soldiers at the army's northern headquarters on his last day as defense minister. "I can't elaborate on this. I hope it will result in some achievements."

He added, "I have no doubt that on the agenda of any future government will be the resumption of negotiations with Syria and the withdrawal of troops from Lebanon." Mr. Mordechai was dismissed by Prime Minister Benjamin Netanyahu on Saturday. On Sunday he said he was leaving the Likud bloc to join a centrist list running in the May 17 general election. Page 4.

Books Page 9  
Crossword Page 10  
Opinion Pages 8-9  
Sports Pages 20-21

Sponsored Section Pages 16-19  
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WARMTH IN THE SNOW — Foreign Minister Igor Ivanov welcoming Secretary of State Madeleine Albright to Moscow on Monday. Mrs. Albright pledged U.S. support for Russia but privately criticized its economic plan. Page 5.

## Senate Looks

For 'Exit Door'

In Clinton Trial

By Brian Knowlton  
International Herald Tribune

WASHINGTON — The Senate met to face crucial questions Monday on whether to cut short the impeachment trial of President Bill Clinton or to continue it indefinitely, with witnesses.

The day's session was postponed for an hour after the majority leader, Senator Trent Lott of Mississippi, said that both sides were in sensitive talks and "close to reaching an agreement" on how to proceed.

"We're searching for an exit door," said Senator John Breaux, Democrat of Louisiana.

The flurry of negotiations came a day after House prosecutors interviewed Monica Lewinsky and declared that the former White House worker would make a useful witness.

The Senate Democratic leader, Tom Daschle of South Dakota, briefly raised White House hopes by saying that Democrats supported a plan, developed in coordination with a Republican senator, for ending the trial by Friday with votes on the two articles of impeachment.

Republicans, in a caucus meeting, "summarily rejected" the idea, said Mr. Lott's spokesman, John Czwartacki. But both sides agreed to delay the resumption of the trial briefly as they continued the closed-door pursuit of an acceptable solution.

The Democratic plan was announced early in a day when the Senate was to take up two questions on which the proceedings are likely to turn: first, a Democratic motion to dismiss the trial, and then, a Republican motion to allow the questioning of witnesses privately.

See IMPEACH, Page 4

## A Defiant IOC Chief Vows to Restore Honor to Games

By William Drozdak  
Washington Post Service

LAUSANNE, Switzerland — Just a few weeks ago, Juan Antonio Samaranch was basking in the twilight of his career as the proud patriarch of the modern Olympic movement.

The 78-year-old president of the International Olympic Committee could look back in satisfaction at how the Games staged a miraculous recovery from the political boycotts that imperiled them during the Cold War. He could take pride in how he helped rescue the Olympics from the brink of bankruptcy by transforming them into a dazzling commercial showcase.

But like some Greek tragedy, the success Mr. Samaranch fought so hard to achieve bore the seeds of

It Takes to

**The Hull Truth / The Minsk to Become an Amusement Park**

## China's Vaunted Carrier: Naught to Dread

By Michael Laris  
*Washington Post Service*

**S**HATIAN, China — China finally has an aircraft carrier. But the hulking gray mass anchored in this small port on a tributary of the Pearl River in the country's south is not going to set sail as part of a Chinese Navy struggling to project its power to the open seas.

Instead, the Minsk, bought from the decaying Russian Navy in 1995, is being turned into a playground — to be decked out with battle-simulation video games, a helicopter ride and a hotel for tourists who want to experience the aura of a mighty fighting ship.

Although there is no public transportation on the dirt road through the sugar-cane fields nearby, a steady stream of sightseers has been making its way to see the rusting, 40,000-ton (36,200-metric-ton) ship since it arrived in China last fall. The refurbishment will not be completed until at least spring, and guards block the main portal to keep people off the ship. But tourists are already paying the yuan equivalent of \$5 each to be ferried around it by local entrepreneurs with motorboats.

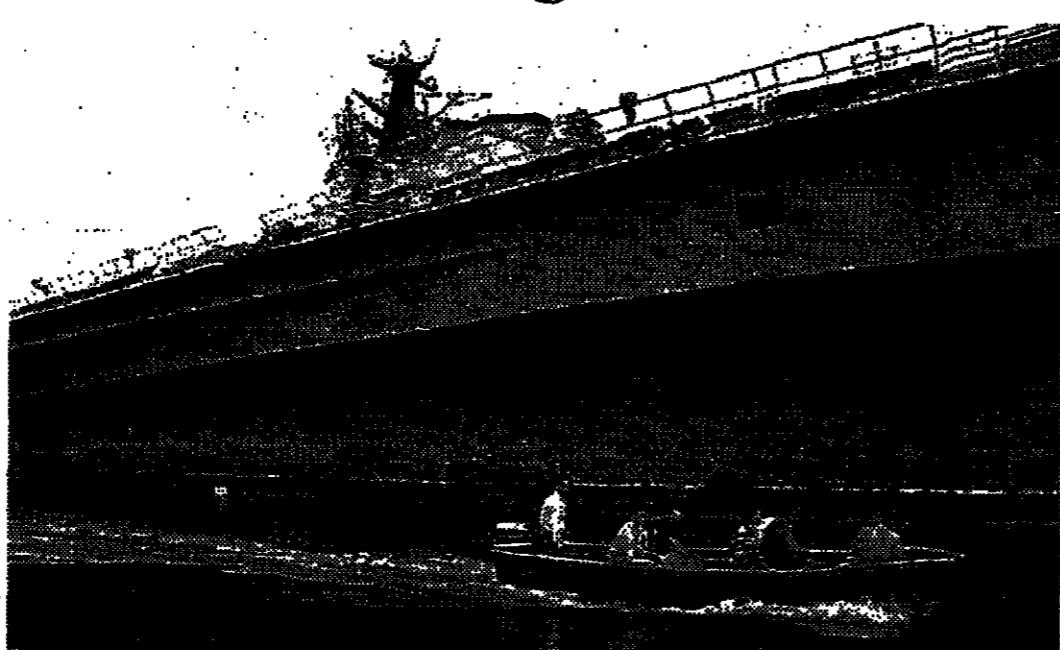
ominous exposés in the Western media have said that China acquired the Minsk, along with an unfinished Ukrainian carrier that was bought last year by a Macau company headed by a former Chinese Army officer, in a backdoor attempt to get a working aircraft carrier. Actually, both are scheduled to become amusement centers.

Military officials are sure to scour the imported old carriers for potential design hints and the Chinese Navy is also known to operate short airfields where pilots can practice aircraft carrier takeoffs and landings. But while Chinese security officials acknowledge that a modern navy includes aircraft carrier battle groups, they say that now is not the time for their country.

"Anything the Russians would sell them would be junk," said Bernard Cole, a specialist on the Chinese Navy at the National Defense University in Washington. He said that if China wanted an aircraft carrier, and if it were willing to spend the money and spark an arms race in Asia, it would be better off buying a new one from Spain, as Thailand did in 1997.

**F**OR NOW, the Minsk is a field of dreams for China's military buffs. Many dream of the day when their nation will assert what they think is the country's legitimate right to dominate events in Asia.

Li Jishi, a self-described "military hobbyist" and former warship builder, traveled all day from his home in the coastal special economic zone of Zhejiang to see the Minsk, which in its heyday in the Soviet fleet carried 12 fighter planes, 18 helicopters



Michael Laris/The Washington Post

*The Minsk's refurbishment will not be completed until at least spring, but tourists are already paying to be ferried around the ship by entrepreneurs with motorboats.*

and a crew of 1,200. Staring out at the ship — its surface pockmarked with patches of salt-water corrosion — Mr. Li said the Minsk was a sign of the times. "It represents the decline of the former Soviet Union's navy," he said.

It also serves as an inspiration.

"In the past, Mao Zedong said China didn't produce an aircraft carrier because they are offensive, aggressive," Mr. Li said. "But, for a country as big as ours, we should have our own sophisticated, large-scale aircraft carrier. Aircraft carriers embody a nation's military power."

Not everyone was moved by the Minsk.

"It's smaller than I imagined," said another visitor, Huang Dongming, one of Mr. Li's friends. Built in 1972, the Minsk is less than half the size of the newest, 102,000-ton American carriers. Still, Mr. Huang said it was worth his trip. "I was curious."

China has large reserves of hard currency after two decades of swift economic growth, making it a perfect buyer for weapons Russia wants to unload.

That has resulted in the sale of some serious weapons to China, including four Kilo-class submarines and two Sovremenny-class guided-missile destroyers. It also, indirectly, resulted in the Minsk's finding its way to China. In 1995, a South

Korean company bought the Minsk, with all its weapons systems and engines removed, from the Russian Pacific Fleet to turn it into scrap iron, but environmentalists blocked the planned disassembly in South Korea.

**C**HINA'S state-owned Guangdong Ship Dismantling Co. bought the Minsk for scrap last year and towed it home. But before it was broken apart, the Shenzhen Ming Si Ke Investment Co. Ltd., a private company backed by entrepreneurs with experience running video-game parlors, bought the ship for the equivalent of \$4.3 million to turn it into a fun zone.

While the initial response to the Minsk has been more positive than expected, the entrepreneurs have run into some problems. A portion of their outside investment has dried up, and the Varyag — the larger Ukrainian carrier arriving in Macau soon — could shave off most of the Minsk's customer base in the Portuguese colony and in Hong Kong. The Minsk project adviser, who asked to remain anonymous, said he is not worried.

"Their target group is different," the adviser argued, adding that China's 1.2 billion potential visitors are a sufficient market for two ships.

## Watching TV, DiMaggio Sees a Report of His 'Death,' Friend Says

*The Associated Press*

NEW YORK — Joe DiMaggio was watching NBC television when the network reported he had died, a friend said Monday.

"He was livid," said Morris Engelberg, who was with the former New York Yankee great when the erroneous report was broadcast Sunday night. "Then I made him laugh. I said, 'Joe, we must be in heaven together.'"

NBC said a technician in the network's New York control room inadvertently sent the erroneous report during the "Dateline NBC" program.

The report came on as a "crawl," or words running at the bottom of the television screen, at about 7:30 P.M. "This is an NBC News special report. Baseball legend Joe DiMaggio has died at his Florida home. He was 84 years old and had..." The message was then cut off.

NBC ran another crawl, about 20 minutes later, saying its previous report

was inaccurate. "Mr. DiMaggio remains in stable condition at his Florida home," the report said, running over a taped interview with the actress Gwyneth Paltrow.

"He just hit the wrong button," a network spokesman, Cory Shields, said of the technician.

Mr. Engelberg said he and Mr. DiMaggio had been watching a tape of the movie "Gunfight at the OK Corral" and had just switched over to NBC when the report was broadcast.

Mr. DiMaggio, who has lung cancer, was released last week from Memorial Regional Hospital in Hollywood, Florida, after spending 99 days undergoing intensive care treatment. He is too weak to undergo chemotherapy.

An NBC employee had typed the report and stored it in the network computer system earlier in the day after reading a New York Daily News report that Mr. DiMaggio was in grave con-

dition. The report quoted a source as saying Mr. DiMaggio had been released from the hospital because there was nothing else that could be done for him. Mr. Engelberg called the report "absurd."

Not only is Mr. DiMaggio not dead, his doctor said Monday, he is not in hopeless condition.

"He is progressing nicely since his discharge from Memorial Regional Hospital one week ago," Dr. Earl Barron said in a statement. "Over the weekend, his physical therapy has progressed to the point that he is walking. Reports of his condition worsening are not true."

NBC was trying to reach Mr. DiMaggio's family to apologize, the network spokesman said. Although the erroneous report was sent out live only on East Coast stations, some affiliates in the Midwest or West might also have picked up the report and run it.

### An Incentive to Find Fiat in Diana Crash

*The Associated Press*

LONDON — Mohamed al Fayed said he would offer a £1 million (\$1.65 million) reward to help find the driver of the white Fiat involved in the Paris auto crash that killed Diana, Princess of Wales, and Mr. al Fayed's son.

Tests confirmed that the Mercedes carrying Diana and her companion, Dodi al Fayed, had a brush with a Fiat Uno before crashing in a Paris tunnel on Aug. 31, 1997. The police have questioned almost 3,000 owners of Fiat Unos and are thought to have given up hope of finding either the car or the owner.

The changes can be readily sensed here in the Archdiocese of New Orleans, which once encompassed a territory so extensive it included St. Louis.

Shortly before Mass at Ignatius Chapel at Loyola University, a Jesuit-run school in the city's Uptown neighborhood, 10 undergraduates circle their chairs and lean in to speak avidly about what being Roman Catholic means to

them. One sophomore calls the church her "centering point," while a freshman says it is her "foundation."

But on some hot-button issues, where church teachings meet social controversies, the young Catholics disagree.

Six declare premarital sex to be always wrong, and six say homosexual activity is wrong, too, positions in keeping with church teaching.

Asked whether women should be allowed to be priests, a subject the Vatican has ruled off limits, the majority goes the other way, six raising their hands to say yes while the four others quietly look on.

New Orleans also reflects the church's new ethnic diversity. While the city has long been home to a large African American Catholic population, in recent years it has also been absorbing many immigrants from the Caribbean, Central America and South-East Asia.

A former marshland remake as a suburban neighborhood sits the Mary Queen of Vietnam parish, founded in 1983. During a midmorning Sunday Mass, the white-walled sanctuary was packed with worshippers, its pews, built to seat 1,000, so full that ushers had to search for spots for latecomers. "It's typically this crowded," said Ann Cao, 31, a law student at Loyola.

Among younger parish members, social issues seem to elicit a generally conservative response, as when the question of whether women should be ordained is raised with members of a young choir.

"I have never thought of that," said Kim Phan, 24, a graduate student at the University of New Orleans. "I've never imagined a woman could be a priest."

Ms. Cao said that Vietnamese Catholics strongly oppose abortion, in keeping with church teaching. Such attitudes reflect the continuity of traditional Vietnamese Catholic values, said Joseph Trung, 32, a choir director and composer. "It comes from the family," he said.

But among American-born Catholics, sociologists are finding strong generational divisions on a variety of social issues.

A recent article in America magazine by Mr. Hoge illustrated the trend with graphs that showed, among other things, that fewer than half of Catholics under 30 believed homosexual activity was always or almost always wrong — in contrast with a majority of those over 30 (and about three-quarters of those over 50) who thought it wrong.

### Basic Themes Hailed in Mexico

Pop. John Paul I returned Sunday to traditional themes that drew clamorous applause from his Mexican audience: opposition to abortion and an appeal for more young men to join the church's dwindling priesthood, The Washington Post reported from Mexico City.

Yet at the same time, the number of its priests has declined, the result of a plunge in seminary enrollments that began 30 years ago and has not been reversed.

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## TRAVEL UPDATE

### Rome Braces for Traffic Chaos

ROME (AP) — The authorities here expect severe disruptions in traffic during a strike by public-transport workers Tuesday. The strike is to last from 8:30 A.M. to 5:00 P.M. and from 8:00 P.M. until Wednesday morning.

Prime Minister Atal Bihari Vajpeyi criticized the Indian tourism industry on Monday for inefficiency. (APF)

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## WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



## North America

Today

Wednesday

Thursday

Friday

Saturday

Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday

Sunday

Monday

## THE AMERICAS

**All It Takes to End the Trial Is the Vote of 6 Republicans**By Adam Clymer  
New York Times Service

WASHINGTON — On the surface, the Clinton impeachment trial appears to be on the verge of chaos, with Senate Republicans lacking a coherent plan. House Republicans and Kenneth Starr using desperation tactics and Senate Democrats in a state of fuming outrage.

But everything could still end this week, if half a dozen Republicans vote against witnesses, joining the solid ranks of Democrats who did not want them to begin with and now feel that Representative Henry Hyde of Illinois and Mr. Starr pulled a fast one with their effort to force Monica Lewinsky to audition for a role as a witness.

If that happens, and those few Republicans join Democrats in rejecting a call for witnesses, the next step will be to debate and vote on conviction.

There were hints of such a course on the Sunday morning television talk shows. Four Republican senators said they saw little or no need for witnesses and three more said

that they wanted witnesses themselves but were not sure if a majority of the Senate did.

And perhaps the most telling suggestion of all came from Senator John Kerry, Democrat of Massachusetts, who said that if the Republicans would supply enough votes to

defeat a motion for

NEWS witnesses, then, "I ANALYSIS believe we could completely avoid the vote on dismissal" of the case without voting on the articles of impeachment themselves. "We would then, if necessary, have a vote on the witnesses with the assurance that we're not going to have them. And we could move on Monday or Tuesday to the final deliberation, up or down. I think Democrats would leap at that."

Senator Tom Daschle, the Democratic leader, said in an interview Sunday that there was only an "outside chance" that the dismissal motion would not be offered.

But he may be bargaining over that question in his continual conversations with Senator Trent Lott of Mississippi, the Republican leader.

Dropping the dismissal motion is perhaps the only gambit available to the Democrats. Republicans are not worrying about losing the vote, but about having it at all, because a party-line vote on that issue would make Senate Republicans seem as partisan as their House counterparts.

So on paper at least, there could be a quick accommodation.

The biggest difficulty may be in finding six Republican senators willing to face the wrath of the right for denying Mr. Hyde, who pleaded again Sunday morning for witnesses chosen by himself and "my managers, the 13 intrepid colleagues who have marched into the jaws of death, really, political death."

But it may also be no small matter to persuade Robert Byrd of West Virginia, the leading institutional voice in the Senate, to withhold the dismissal motion that he said Friday he would offer.

Nor is this the only possible way back from a partisan abyss. Senator Susan Collins, Republican of Maine, was pushing an argument first advanced by Joseph Isenberg

of the University of Chicago Law School. In a recent article he contended that removal from office was the only punishment for conviction of certain crimes — "treason, bribery and other high crimes and misdemeanors" — but not for others, for which removal is an option but not a necessary result.

Senator Collins said that separate votes on the facts and the seriousness of the offenses "would give a lot of senators who are very concerned about the president's actions, who believe that he did commit obstruction of justice, for example, the opportunity to distinguish between those offenses and the question of removal."

Without some accommodation, it seems likely that the bitterness that tinged the Senate session Saturday will remain and harden party lines.

And the two parties in the Senate are beginning to show the same kind of partisan deafness to each other's thinking that characterized the House debate.

Take the most dramatic development of the weekend: Mr. Starr's successful effort to get a federal

judge who holds her hearings in secret to order Ms. Lewinsky to let the House managers size her up as a witness.

Senator John Chafee of Rhode Island, one of the calmer Senate Republicans, said Sunday, "I have trouble understanding what all the fuss is about. They want her possibly as a witness. So they talk to her and ask her and sound her out on views that they have and see whether she's going to be of any help. And it seems to me that's a perfectly logical way to proceed."

For their part, Democrats said they were baffled at the Republicans' failure to see the obvious "intimidation," as Senator Robert Torricelli of New Jersey put it, in Mr. Starr's choosing to get involved and force her to testify.

After all, the House had four months to issue a subpoena and did not bother to do so.

Still, the big issue is not whether senators want to get this over. It is the question of whether a few of the Republicans will choose to buck their party's right-wing.

## POLITICAL NOTES

**Diplomats' Task: Translating Trial to the Folks Back Home**

WASHINGTON — If Americans find themselves confused about President Bill Clinton's impeachment trial, they should spare a moment for the hundreds of Washington-based foreign diplomats, increasingly hard-pressed to explain the proceedings to their home governments thousands of miles and several giant cultural divides away.

First, there are the technical questions from confused capitals. Can the president travel outside the country during the trial? (Yes.) Is the option of censure possible under the constitution? (It is not prohibited.) Can the Senate vote to dismiss the charges at any time? (Yes.)

Then questions melt into bewilderment: How can the president deliver a State of the Union speech to his jurors and accusers in the House of Representatives chamber, the very room where he was impeached only a month earlier? And how can senators — now the president's de facto jurors — show up at a White House dinner last week in honor of President Carlos Saúl Menem of Argentina, a dinner held by the trial's defendant, Mr. Clinton?

Amid these complexities, the impeachment process has brought home a larger lesson to foreigners in Washington: caught up in the task of explaining it to their citizens back home: It is a reminder of how unique and unusual America's democracy is, how much it differs from elected forms of government elsewhere and how vast the cultural gap can be that divides the United States even from nations Americans consider like-minded.

"We just lack the words to explain this. This is our main difficulty," summed up a French envoy. "Conveying the impact of what we in France would consider a private matter is not easy."

**Off the Floor, Pressure Is On**

WASHINGTON — A Los Angeles gay activist and Democratic fund-raiser, David Mixner, has given Senator Bob Kerrey, Democrat of Nebraska, a firm message: Mr. Kerrey, whose dislike for the president is well known, may have a safe Senate seat in Nebraska, but in the unlikely event that he does not support Mr. Clinton in the impeachment battle, the senator's prospects for a presidential bid do not look real good.

"Political donors, grass roots, unions and special-interest groups have made it clear there would not be much future for someone like that in their plans," Mr. Mixner said. "This is almost kind of a civil war," he said, and senators "are under no illusions about the impact this could have on their future."

On the other side of the impeachment battle, Senator Spencer Abraham, Republican of Michigan, has angered some in the Republican camp because he has suspended his outspoken criticism of Mr. Clinton while the Senate trial is going on.

**Quote/Unquote**

Representative Henry Hyde, chairman of the House Judiciary Committee, as he presses the impeachment case against President Bill Clinton despite some Senate unhappiness with his tenacity: "I know, oh, do I know what an annoyance we are in the bosom of this great body, but we are a constitutional annoyance. And I remind you of that fact."

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**Cash Sought To Fortify U.S. Missions**By David Johnston  
New York Times Service

WASHINGTON — Scolded by criticism of security weaknesses at American embassies abroad, the administration of President Bill Clinton will seek more than \$3 billion during the next five years to fortify and rebuild its missions overseas, according to senior White House and State Department officials.

The officials, who spoke Sunday on condition of anonymity, said the request for additional money will be part of the president's annual budget proposal, to be announced on Feb. 1. It will include a plan for a high-level outside group to evaluate security priorities, future construction needs and broad issues related to how the State Department should carry out its objectives overseas.

The group will be led by Admiral William Crowe, the retired chairman of the Joint Chiefs of Staff and a former ambassador to Britain. He led two panels convened after the bombings of two American embassies in Africa last year. Earlier this month the panels recommended closing a number of embassies around the world that are vulnerable to terrorist threats.

In an interview Sunday, one White House official described the spending plan as a multistage effort



Ron Edmonds/The Associated Press  
FACE IN THE CROWD — Paula Jones, center in left photo, who accused President Bill Clinton of sexual harassment, attending a speech on tornado damage by the president in Beebe, Arkansas. She said she was just visiting in the state.

"greater than any previous construction program." But the official and others acknowledged that it fell considerably short of the spending recommendations presented to the State Department by the panels led by Admiral Crowe. The C.I.A. report recommended spending \$10 billion to \$12 billion in the next decade to upgrade security at scores of diplomatic posts.

Under the plan, most of the construction money would be spent from 2001 to 2005.

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tacks, but it is part of about \$10 billion that the administration seeks in the coming budget year to prevent terrorist attacks.

Some counterterrorism experts have cautioned that strengthening buildings cannot guarantee security no matter how much is spent.

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TELEVISION

## INTERNATIONAL

## Netanyahu Wins Battle, Not War

Prime Minister Retains Party Leadership but Confronts Bigger Foe

By Lee Hockstader  
*Washington Post Service*

JERUSALEM — Prime Minister Benjamin Netanyahu fended off one challenge to his leadership Monday, but his victory was immediately overshadowed by the emergence of another, potentially more potent adversary four months before Israel's general elections.

In Likud party primaries, the prime minister appeared to have easily patched his old mentor, former Defense and Foreign Minister Moshe Arens, to retain his position as the conservative party's leader and candidate for prime minister.

But the effortlessness of Mr. Netanyahu's victory belied the turmoil that has beset Likud, and Israeli politics generally, since Saturday when he fired his popular defense minister, Yitzhak Mordechai, citing his "unprincipled" flirtation with the opposition.

On Monday evening Mr. Mordechai announced he would seek his revenge against Mr. Netanyahu in what has become an extraordinarily public political grudge match between the two men. He announced his candidacy for prime minister as leader of an emerging center party that includes three well-known public figures, all of whom have had well-publicized breaks with Mr. Netanyahu.

With his distinguished military record and strong appeal among blue-collar and religious voters, Mr. Mordechai could cut deeply into Mr. Netanyahu's core constituencies, polls suggest. As Likud's top Sephardic politician, he was a critical electoral asset for Mr. Netanyahu in the 1996 elections, and is well respected both among Palestinian and Arab leaders and in Washington. His defection is a blow to the party, analysts agree.

Mr. Mordechai is a "stereotype-busting politician," Nahum Barnea, a columnist, wrote Sunday in the Israeli daily

anyah: the former military chief of staff, Amnon Lipkin-Shahak; former Finance Minister Dan Meridor; and former Mayor Roni Milo of Tel Aviv.

Mr. Netanyahu has sneeringly branded all four members of the yet-unnamed centrist party as "losers," singling out Mr. Mordechai for especially heavy disdain. On Monday he suggested the bloc was a "ruthless fake" that would eventually merge with the left.

But in Mr. Mordechai, a gruff former army general with a reputation for integrity, Mr. Netanyahu faces a new type of adversary. Born in Iraqi Kurdistan, Mr. Mordechai, 54, is the first Sephardic candidate to seek the nation's top job in a political arena long dominated by Ashkenazi, or European, Jews.

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Mr. Mordechai is a "stereotype-busting politician," Nahum Barnea, a columnist, wrote Sunday in the Israeli daily

Yedioth Ahronoth. "At long last there comes a man who just might be able to break the tribalism between east and west, between left and right, a tribalism that is terribly destructive."

In a news conference, Mr. Mordechai outlined the party's still vague platform, which includes negotiations with Palestinians and Israel's Arab neighbors, help for immigrants, women, students and the unemployed, and continued privatization.

Nonetheless, nearly four months remain before the May 17 elections, and so far none of the declared candidates have proven themselves as agile a campaigner and television presence as Mr. Netanyahu.

Mr. Shahak, the darling of the media and a soaring star in the polls just a month ago, turned out to be a flash in the pan. Immediately after his lackluster announcement early this month that he would run for prime minister, he was pelleted with vegetables in a working-class Tel Aviv market where Mr. Netanyahu is popular, and his popularity began to plummet in the polls.

On Monday Mr. Shahak and Mr. Meridor both dropped their nascent bids for the nation's top office and, with Mr. Milo, agreed to support Mr. Mordechai. Little unites the four beyond intense dislike for Mr. Netanyahu, whom they condemn as dishonest and duplicitous.

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The four leaders of the new Israeli centrist party joining hands Monday in Tel Aviv, united by a desire to oust Mr. Netanyahu. Left to right: Roni Milo, Amnon Lipkin-Shahak, Yitzhak Mordechai and Dan Meridor.

Associated Press Photo

## Israel in Lebanon Talks, Ousted Aide Hints

Reuters

JERUSALEM — The outgoing defense minister, Yitzhak Mordechai, hinted Monday that Israel was conducting secret talks over its military involvement in Lebanon, but he declined to disclose details.

"Some type of negotiation is being conducted," Mr. Mordechai told soldiers at the army's northern headquarters on his last day as defense chief.

"I can't elaborate on this. I hope that it

will result in some achievements."

He added, "I have no doubt that on the agenda of any future government will be the resumption of negotiations with Syria and the withdrawal of troops from Lebanon." Mr. Mordechai, who was dismissed as defense minister Saturday, added that any Israeli pullout would have to take place in a context that would "allow residents of northern Israel and those north of the border to live normal lives."

## BRIEFLY

## Civilians Oversee Tense Freetown

FREETOWN, Sierra Leone — Civilians manning checkpoints carried out strict searches on Monday in Sierra Leone's capital, tense after sporadic shooting overnight followed battles between rebels and West African troops.

The authorities gave no explanation for the gunfire.

Civilians said soldiers of the Nigerian-led Ecomog intervention force, which this month banished rebels who carried out a major offensive on the city, were on standby near the checkpoints.

In a weekend radio address, President Ahmad Tejan Kabbah asked public and private enterprises to try to open their doors on Monday. While hundreds of people were seen moving along Freetown's major thoroughfares, many workers did not turn up, reportedly because either family members had been victims of maltreatment at the hands of retreating rebels or because their houses had been burnt down. (AFP)

## Annual Pilgrimage To Mecca Begins

RIYADH — Coming from South Africa, the first group of foreign Muslims has arrived for the annual pilgrimage to Islam's holiest sites in Mecca, the Saudi Press Agency said Monday.

It said the group arrived Sunday, two months before the start of the annual pilgrimage known as the hajj.

Two million Muslims take part in the hajj, half of them from outside Saudi Arabia. Many pilgrims arrive several weeks before the event to find accommodations and pray at the holy sites.

This year, 28,000 fireproof tents are being erected for the pilgrims as part of efforts to avoid a repeat of a deadly blaze during the 1997 hajj that killed 118. (AFP)

## For the Record

Buenos Aires — New telephone numbers took effect in Argentina on Monday, with a 4 placed in front of Buenos Aires numbers and additional digits in long distance codes. To call Buenos Aires from outside Argentina it is now necessary to add a 1 at the end of the old 541 code. (Reuters)

## Gummen in Cape Town Kill a Political Figure

CAPE TOWN — A local head of South Africa's fledgling United Democratic Movement was shot and killed on his doorstep, the police said Monday, sparking fears of a link with the violence that shook KwaZulu-Natal Province over the weekend.

A police spokesman, Jacques Wiese, said that Vulindlela Matiyase, 33, the deputy chairman of the party's Philippi branch, was shot four times in the chest and the back by two men as he opened his front door to them late Sunday.

Mr. Wiese declined to speculate on the motive for the attack.

But he did not rule out a link to the massacre of 11 African National Congress supporters in KwaZulu-Natal after the assassination there on Saturday of the party's secretary-general, Sifiso Ntshinga.

"The possibility that it is politically motivated in being investigated," Mr. Wiese said, urging local people to come forward with information on the killer.

However, a local radio station reported speculation in the community that Mr. Matiyase's murder was linked to a business dispute about a housing development.

## Racing Millennium Bug, U.S. and NATO Worry About Russia

By Tom Buerkle  
*International Herald Tribune*

LONDON — Of all the disaster scenarios surrounding the year 2000 computer problem, few are as chilling as the prospect of a major failure affecting the military, especially nuclear weapons systems.

The good news, according to senior officials at the Pentagon and several NATO allies, is that work is on track to repair and test critical military systems, or put contingency plans in place, before the turn of the millennium.

The risk is not accidental missile launches. George Robertson, the British defense secretary, said a year 2000 malfunction would cause weapons to fail, leaving missiles in their silos. But military officials do worry that the bug — which could render inoperable computers that identify years by only the last two digits — might affect early-warning radars or command and control systems, causing Russia or the United States to perceive a threat by mistake.

In a sign of how seriously officials are taking the risk, the United States agreed earlier this month to send a team of experts to Russia in February to share information on year 2000 preparations and discuss the possibility of jointly stationing American and Russian forces at early-warning facilities over the millennium weekend, a Pentagon spokesman said Monday. In Moscow, the Interfax news agency reported that American officials would inspect Russia's early-warning systems and other facilities.

"There's absolutely no question we'll be able to defend the country on Jan. 1,

2000," said John Hamre, the U.S. deputy secretary of defense in charge of the Pentagon's year 2000 program.

U.S. armed forces may experience "inconvenience and minor disruption," he said, but added, "We're not going to have a failure at the department here."

But some private analysts question the state of preparedness. Although they welcome signs that Western defense forces have stepped up efforts to resolve the millennium bug, they caution that much of the work is shrouded in secrecy. And even defense officials acknowledge that work has fallen behind schedule in some areas, leaving little time to resolve problems that might crop up during testing.

"I think we may run out of time to test in certain areas," said a senior official at the North Atlantic Treaty Organization.

Even more worrying is the high degree of uncertainty about the vulnerability of Russia and other non-Western military forces to the bug. Moscow has only just begun to acknowledge the problem, with Prime Minister Yevgeny Primakov acting on Friday to set up a commission of experts covering defense, nuclear power, energy and finance.

"We have a concern, but we know very little about what they are doing," a NATO official said.

Officials from the 16 NATO countries will hold their first meeting with Russian officials on the millennium at alliance headquarters in Brussels this Friday, but officials said it would be mainly a confidence-building session aimed at reassuring the Russians about NATO's own preparedness.

Given the complexity and secrecy of U.S. nuclear-weapons systems, the im-

port of the year 2000 problem is "highly uncertain and almost entirely unpredictable," the British American Security Information Council, an independent research group, said in a recent report.

Michael Kraig, the report's author, urged the United States and Russia to take their nuclear forces off alert status over the millennium weekend as a safety precaution.

But Mr. Hamre of the Pentagon said it was not necessary to de-alert nuclear forces. In a telephone interview, he said he favored a joint stationing of U.S. and Russian nuclear commanders over the weekend, either at a joint early-warning facility that Bill Clinton and Boris Yeltsin agreed last fall to establish or under some interim arrangement if that facility is not ready in time.

Mr. Hamre also said he was "absolutely confident" in the reliability of the Pentagon's nuclear command and control systems. Technicians have reviewed the more than 25 million lines of computer code used by the strategic command in Omaha, Nebraska, and an initial test of satellite-based early-warning systems went smoothly at the end of December, he said.

"There were no system failures," he said. "Everything that we had remediated worked. It makes you feel pretty good."

All told, the Pentagon has budgeted \$2.5 billion to fix more than 2,500 mission-critical computer systems. After a report by senior commanders earlier this month, Mr. Hamre said, 80 percent of those systems had been fixed, a figure that would rise to about 93 percent by the end of March, the U.S. government's deadline for fixing all vital computer

systems. The Pentagon will begin a major series of field tests this spring.

Most of the systems that will not meet the deadline involve forces that are not deployed, Mr. Hamre said. Perhaps 15 systems will not be ready by the end of December, including a new command and control telecommunications system for the U.S. Navy, but those represent new capabilities and the Pentagon will have backup systems in place, he said.

To some observers, the latest news is suspiciously optimistic, given that the Pentagon had reported an increase in the number of systems falling behind schedule in its last official quarterly report in November.

"The DOD is always saying things are great," said one Senate staff official, referring to the Department of Defense. Others complain about the lack of independent information about Pentagon efforts. "The problem is most of these compliance estimates are self-assessments," said John Pike of the Federation of American Scientists.

But Mr. Hamre insisted that the recent improvement was real and attributed it to senior military commanders responsible for year 2000 readiness.

Among other NATO countries, Britain, Canada and the Netherlands have been the most active in campaigning for greater awareness of the millennium bug problem, while France and NATO itself were late starters, only starting repair programs last year.

In Britain, the Defense Ministry recently reported that all military aircraft were scheduled to be mission capable by the end of May, naval ships by August and army weapons by September.

## High Court Rules Against Adjusting 2000 U.S. Census

The Associated Press

WASHINGTON — The U.S. national census for 2000 cannot be adjusted using statistical methods to make up for an expected undercount of minorities, the Supreme Court ruled Monday.

The federal census law bars use of statistical sampling techniques intended to make the national population count more accurate, the justices said in a divided ruling that could have a major effect on money and votes nationwide.

Adjusting the census most likely would have helped Democrats because minorities and inner-city residents, who tend to vote Democratic, made up a large share of the estimated 4 million people missed by the 1990 count.

Republicans hold the 10-seat majority in the Senate, enough Republicans have expressed reservations about calling witnesses as to leave the outcome of that question in doubt.

A moderate Republican, Senator Olympia Snowe of Maine, said Monday that she was leaning against allowing witnesses. "What would they offer?" she said on ABC-TV.

Without witnesses, added a liberal Democrat, Senator Christopher Dodd of Connecticut, the Senate could end the trial this week. He said there was "a growing sense" among senators that they had all the information they needed.

A key point that the prosecutors had been truthful, she had "added nothing to the record" and that it was unnecessary for the Senate to call her.

Later, according to The New York Times, Ms. Lewinsky told a close friend, "I gave them nothing." The friend said Ms. Lewinsky's impression of the meeting was that while the House prosecutors were amiable, they covered old ground and left the meeting appearing disappointed.

The friend added that Ms. Lewinsky was "really upset" when she learned she would have to return to Washington from Los Angeles for the meeting, and that she was "not doing well."

The interview of Ms. Lewinsky appeared to be part of a last-ditch attempt by the House managers to halt a swell of sentiment in the Senate for ending the trial quickly.

Although Republicans hold the 10-seat majority in the Senate, enough Republicans have expressed reservations about calling witnesses as to leave the outcome of that question in doubt.

He said, however, that there was "a growing sense" among senators that they had all the information they needed.

## JORDAN: King Anoints His Son

Continued from Page 1

has become one of the world's longest serving rulers, is still recovering from his second bout with cancer, and so the change could bear directly on this tiny country, whose stability concerns neighbors from Israel to Iraq.

The federal census law bars use of statistical sampling techniques intended to make the national population count more accurate, the justices said in a divided ruling that could have a major effect on money and votes nationwide.

Republicans oppose adjusting the census to make up for that undercount because people who tend to vote Republican also are more likely to voluntarily respond to the census.

When the census law was amended in 1970, at no point "did a single member of Congress suggest that the amendments would so fundamentally change the manner in which the Bureau could calculate the population for purposes of apportionment," Justice Sandra Day O'Connor wrote for the court, referring to the Census Bureau.

Justice O'Connor said "it tests the limits of reason" to suggest Congress would have been silent in enacting "what would arguably be the single most significant change in the method of conducting the decennial census since its inception."

Joining Justice O'Connor's decision that adjusting the census figures is unlawful were Chief Justice William Rehnquist and Justices Antonin Scalia, Anthony Kennedy and Clarence Thomas.

Dissenting were Justices John Paul Stevens, David Souter, Ruth Bader Ginsburg and Stephen Breyer, who said the federal census law did not bar the government from adjusting the figures.

But others, including some close to Prince Hassan, have pointed instead to the king's concern for posterity. They say they believe that the king's repeated illnesses had rekindled a desire to ensure that the Hashemite line of succession which dates from 1201, passes to one of his sons.

The king is expected to name Prince Hassan to a new post as his deputy, with responsibilities that could include economic and Middle Eastern affairs, his academic specialties, Jordanian officials said Monday.

The king's expected appointment has raised concerns about the future of the Hashemite line of succession, which dates from 1201, and whether it will be passed to one of his sons.

The witness question will probably be resolved Tuesday, Mr. Lott said. He did not venture a prediction on its outcome. But another Republican senator, Gordon Smith of Oregon, told CNN, "There are a number of my colleagues who will not likely vote for witnesses."

## EUROPE

# U.S. and Russia Face Tension Over Priorities

## Albright Calls Economic Plan Unrealistic

By Thomas W. Lippman  
Washington Post Service

MOSCOW — Walking a thin line at a time of serious strain in U.S. relations with Russia, Secretary of State Madeleine Albright publicly pledged Monday to continue support for the struggling country.

But in private, she told Russians that their economic plans were unrealistic and that their strategic priorities were skewed.

"I want to tell you directly how much the American people want Russia to succeed in firmly establishing economic prosperity, the institutions of democracy and respect for the law and human rights," she said in a television address.

Prefacing her comments with brief remarks in Russian and later fielding questions asked in Russian, Mrs. Albright assured an audience of civil liberties advocates, independent journalists and defenders of religious freedom that "we will not walk away" as long as Russia stayed on the path of democracy and tolerance.

She announced a \$10 million increase this year in U.S. aid to Russia's independent news papers and radio stations, hit hard by the economic slump. She also said more Russians would receive fellowships to study in the United States.

Her comments and the appearance in Moscow of Agriculture Secretary Dan Glickman to complete plans for distribution of U.S. food aid may have mollified some Russians.

But they could not paper over what officials on both sides described as serious differences on economic and strategic issues.

Senior Russian officials have been making no effort to hide their irritation with Washington on several fronts: air strikes against Iraq despite Russian objections, announcement of a \$6 billion increase in U.S. funds to develop a nationwide missile defense system and resistance to Russia's efforts to gain a new infusion of cash from the International Monetary Fund.

The Russians have objected vigorously to what they see as a U.S. policy of bypassing the United Nations Security Council, the one forum where Moscow's leverage equals Washington's.

On the U.S. side, Mrs. Albright and her aides have watched in dismay as Russian politicians they favored have been driven out of the government, their successors have adopted economic policies viewed as inflationary and

counterproductive and Russia has reaffirmed its policy of selling nuclear equipment and technology to Iran.

"I do not see this as some kind of critical point in our relations," Mrs. Albright said shortly before arriving Monday morning. She said discussions between the two countries were "mostly in a problem-solving mode and not in a contentious mode."

However, according to officials describing her first day of meetings with Foreign Minister Igor Ivanov and other Russians, the talks focused on wide gaps in policies and perceptions on key issues.

She told the Russians, for example, that the budget adopted by Prime Minister Yevgeny Primakov's government was "supposed to defy gravity" and would lead to "a vicious cycle of weakened credibility" that undermines Russia's creditworthiness, one senior U.S. said.

She said Russia's economic record was one of "high promise shattered by low performance," and that its current economic plan could lead only to the inflationary printing of more money or further failure to pay wages and pensions, deepening the economic hole.

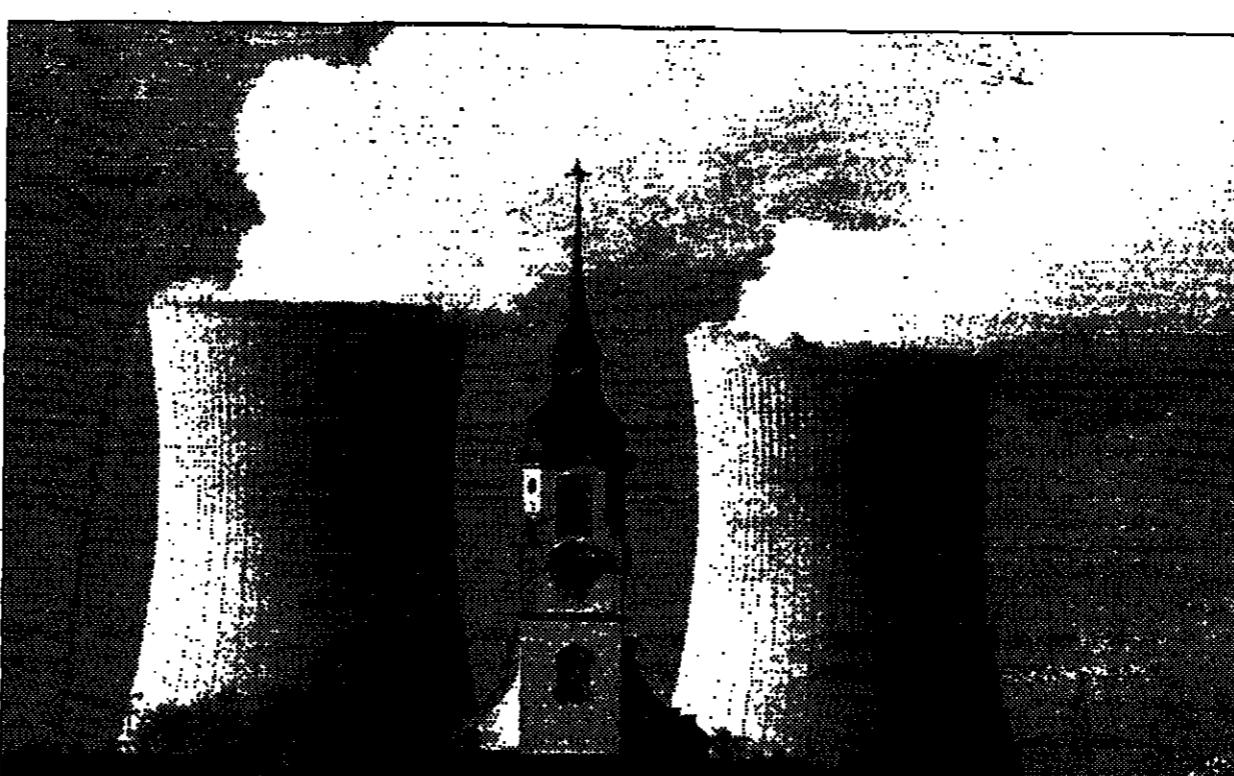
Another senior U.S. official said the Russian budget relied on "heroic assumptions," such as an increase in tax revenue to 12 percent of the gross domestic product from 8.5 percent — a projection he said was made even more unrealistic by a plan to cut the value-added tax to 15 percent from 20 percent.

Russian officials have stoutly defended the budget, and have said their fiscal priority is forgiveness, or at least rescheduling, of the country's huge foreign debt.

U.S. officials said Mrs. Albright held out no prospect of debt forgiveness until the Russians presented a budget deemed credible by the IMF, which has a team here this week.

Mrs. Albright arrived to find the Russians angry — and by U.S. accounts, misinformed — about the U.S. administration's decision to develop and possibly deploy a land-based system of weapons that could destroy long-range missiles fired at U.S. territory.

The Anti-Ballistic Missile Treaty of 1972 reached between the United States and the now defunct Soviet Union sharply limited the deployment of such systems. The Russians have treated the U.S. announcement as an all-out assault on the treaty.



Cooling towers of the Grafenweinfeld nuclear power station appear to be flanking a church spire at Heidenfeld, in Bavaria. Neither the government nor utility spokesmen commented Monday after talks involving Chancellor Schroeder that were aimed at finding a compromise on the reprocessing of nuclear waste.

## BRIEFLY

### More Immigrants Detained in Italy

ROME — Italian policemen detained at least 88 clandestine immigrants from Albania and Kosovo on Monday who had reached Italy's southern shores during the night, and they also seized a vessel as Rome tries to crack down on smugglers.

Three Albanians were arrested in Bari, across Albania on the Adriatic Sea, for smuggling illegal immigrants. An Austrian man was arrested in Brindisi as he was driving the immigrants out of the port of that southern city.

Most of the immigrants, who claim they are fleeing war or violence at home, are kept in refugee camps, pending a final decision on their status.

### Pinochet Case Is Back in Court

LONDON — Lawyers returned to Britain's highest court on Monday to argue over Augusto Pinochet's immunity against his threatened extradition to Spain.

The human-rights group Amnesty International was expected to continue its argument before a House of Lords panel that the Spanish request was the only realistic opportunity to bring the former Chilean dictator to justice. Lawyers for General Pinochet, 83, were then expected to take up the case for the defense, either later Monday or Tuesday.

### Azerbaijan Wants Foreign Troops

BAKU, Azerbaijan — Baku wants NATO or U.S. troops stationed in Azerbaijan to guarantee the former Soviet republic's security, President Heydar Aliyev's top foreign-policy aide said Monday.

"In order to guarantee Azerbaijan's security, the U.S., NATO or Turkey should establish bases here," said Vafa Gouliyade, state adviser on foreign policy and Mr. Aliyev's top foreign-policy official.

"I don't trust Russia," he said. "It is simply waiting in order to deal a knock-out blow and put its own person at the head of the Azerbaijani government."

## 5 Slain Amid Drive for Kosovo Talks

Reuters

PRISTINA, Serbia — The U.S. mediator for Kosovo, Christopher Hill, visited the province Monday to start a new diplomatic push for a political solution backed by the threat of NATO intervention.

A new incident of gruesome violence added to the sense of urgency surrounding his mission. Five people, including two children, were killed with heavy weapons Sunday evening while riding on a tractor and farm wagon on a lane southwest of Pristina.

It was the worst incident since the killings of 45 ethnic Albanians in the village of Racak on Jan. 15. International monitors deployed by the Organization for Security and Cooperation in Europe said the killings in Racak had

been carried out by Serbian security forces in revenge for a rebel ambush.

Mr. Hill has been involved for months in shuttle diplomacy, trying to persuade the ethnic Albanian majority that seeks independence and Serbian authorities who deny them even autonomy to sit down and negotiate.

He said after meeting with Ibrahim Rugova, the ethnic Albanian leader, that he had briefed Mr. Rugova on a meeting in London on Friday of the six-nation Contact Group. The United States, Russia, Britain, France, Germany and Italy agreed on a new drive for a political settlement with direct international involvement, beginning with an intense round of diplomatic activity this week.

Above all, they agreed to step up pressure on both Belgrade and the effi-

cacy of the Kosovo Liberation Army, to attend a peace conference. The strategy was to be put to European Union foreign ministers in Brussels on Monday. Russia and the United States are to hold high-level talks on the crisis later in the week.

All parties at the London talks agreed that a settlement was needed quickly to ensure that fighting did not flare up in Kosovo upon the arrival of spring.

William Walker, the head of the 900-member monitoring mission on Kosovo, visited the headquarters of the Organization for Security and Cooperation in Europe in Vienna on Monday. Mr. Walker said he would not be restricted by an expulsion order issued and then frozen by the Yugoslav government after he accused Serbian police of committing the massacre in Racak.

He said he was "very confident that when the last word" was written about the killings of the 45 ethnic Albanians it would be described by unbiased observers "at least as a massacre."

Yugoslav authorities have asserted that the 45 ethnic Albanians were combatants whose bodies had been moved by guerrillas to create the appearance of a massacre of civilians. Mr. Walker said he expected to be able to return to Yugoslavia without any difficulty.

Mr. Hill has suggested that Kosovo Albanians be allowed to develop an internal administration, courts and a police force, and to hold free elections while deferring for three years the question of Kosovo's final status. The ethnic Albanians have rejected this proposal.

Asked whether there were any immediate prospects of direct talks between the Kosovo parties or more shuttle diplomacy, Mr. Hill said there was a new urgency. "We are heading to a situation where we have to come up with some very good ideas, strong ideas, and see some rapid implementation," he said.

#### ■ EC Rejects New Sanctions

The European Union decided on Monday against tightening sanctions on Yugoslavia over its handling of the Kosovo conflict and warned ethnic Albanian rebels in the province to join the search for peace, Agence France-Presse reported from Brussels.

France, Germany, Greece and Italy rejected proposals to strengthen the EU's sanctions against Belgrade by banning visas for ministers of both the Yugoslav and Serbian governments, diplomats said.

At a time when the international community is trying to increase pressure on both the Belgrade authorities and the rebels to seek a negotiated settlement, the move would serve little practical purpose, the four countries contended.

Foreign Minister Abel Matutes of Spain said the ethnic Albanians in Kosovo had to accept that the European Union would not back their demands for independence. "The EU must make it clear that we do not see good guys and bad guys in this conflict," he said.

## Helicopters Rescue 100 Russian Anglers

Reuters

VLADIVOSTOK, Russia — Helicopters and boats rescued more than 100 Russian anglers from an ice floe off the Pacific island of Sakhalin on Monday after it broke away from the shore, an emergency services spokesman on the island said.

He did not know of others still

missing. About 30 of the people who had been fishing were able to save themselves when the ice was washed back to shore.

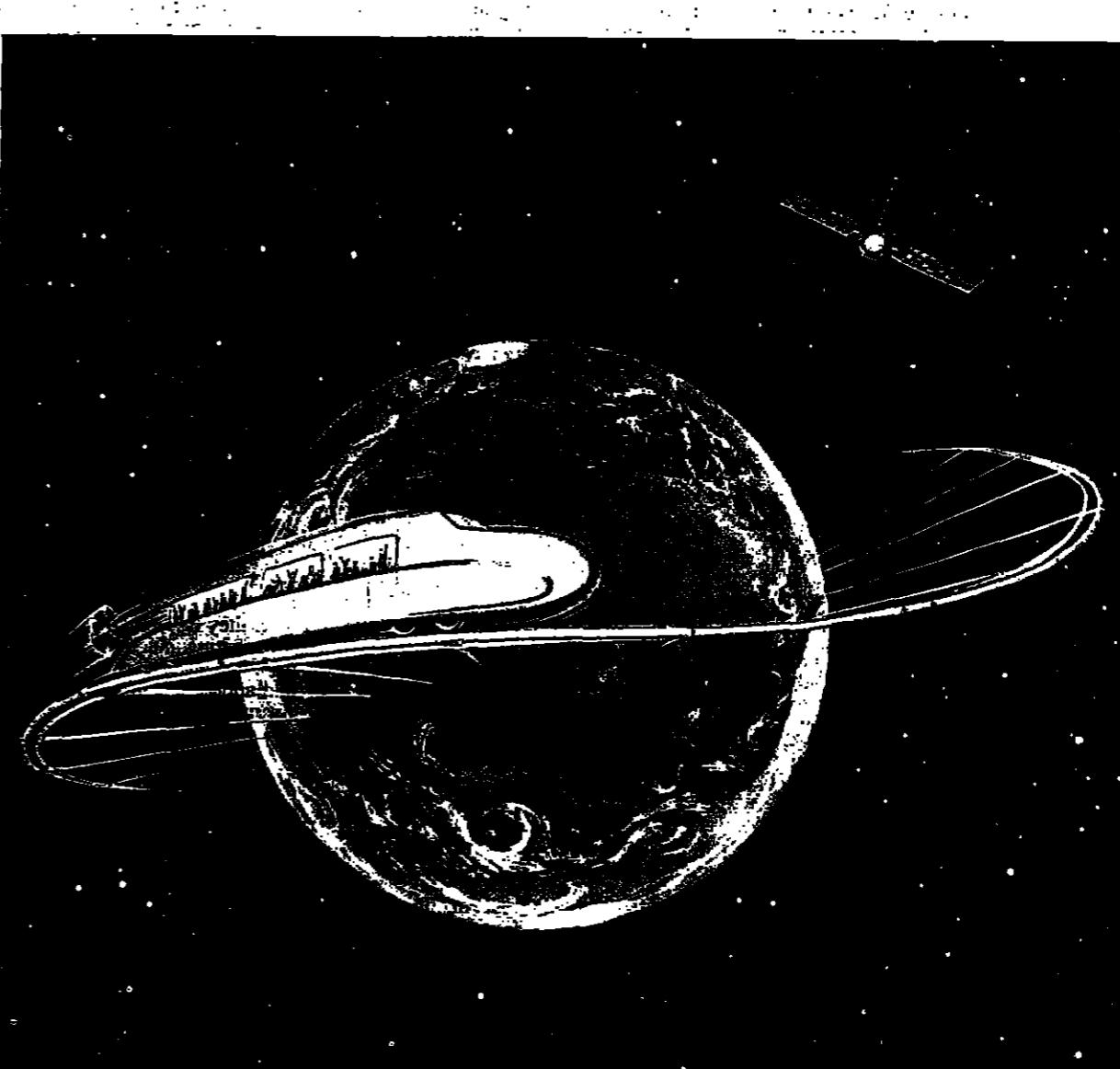
Some earlier reports had put the number of those adrift at 400. Fishing through holes cut in the ice is a popular pastime in Russia, and deaths and accidents are frequent.

However, in a radio interview, Mr. Tritin rejected the industry proposals outright. "That is not a serious alternative," the environment minister, a leading member of the ecologist Greens, said on Inforadio Berlin. "The government has decided that the waste must remain for the time being in the nuclear plants themselves," he said.

One of the four utilities whose executives met with Mr. Schroeder, VIAG, warned before the talks that a ban on reprocessing could lead to early closures of some of its plants because it had little room left for on-site storage of nuclear waste.

"The very existence of our plants would be endangered," Wilhelm Simon, the chairman of VIAG AG, said in an interview with the newsmagazine Der Spiegel. He said that unless the proposed ban was withdrawn he saw little point in taking part in negotiations with the government over the timetable for closing the 19 nuclear reactors in Germany.

But a spokesman for the energy and telecommunications group VEBA AG, which was also represented at the talks with Mr. Schroeder, said after the meeting that the negotiations, due to start on Tuesday, would go ahead as planned.



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## India Vows to Punish Christians' Murderers

*Associated Press*  
NEW DELHI — The Indian government was widely criticized Monday following the murder of a Christian missionary from Australia and his two sons, and Prime Minister Atal Bihari Vajpeyi said there should be no mercy for the mob of Hindu extremists responsible for the deaths.

Foreign Minister Jaswant Singh vowed to punish those responsible.

"I think we must first be very clear in our minds that what has happened recently in Orissa is a heinous crime," Mr. Singh told Asia News International.

### Amar Sues Mahathir For Defamation Over Sexual Allegations

*Reuters*  
KUALA LUMPUR — Former Finance Minister Anwar Ibrahim sued Prime Minister Mahathir bin Mohamad Monday, seeking \$26 million in damages.

Mr. Anwar's lawyers filed a writ of summons at the capital's High Court accusing Mr. Mahathir of slandering him during a news conference last Sept. 22.

Mr. Mahathir dismissed Mr. Anwar as deputy prime minister and finance minister Sept. 2, and 18 days later the former cabinet minister was arrested. He has pleaded not guilty to five charges each of sodomy and corruption and said he is the victim of a political conspiracy.

At the news conference Sept. 22, Mr. Mahathir detailed for the world media what he said were sexual acts that had led him to dismiss his former deputy.

Karpal Singh, lawyer in the firm representing Mr. Anwar, said the ousted minister had decided to initiate defamation proceedings against Mr. Mahathir to clear his name.

The judge in Mr. Anwar's High Court trial recently expunged all evidence relating to alleged sexual misconduct that prosecution witnesses presented in the first two and a half months of the trial. Because of that ruling, the defense cannot use witnesses to rebut the accusations.

"Justice demands that Datuk Seri Anwar not be caged, cabined and confined in his endeavor to clear his name," Mr. Karpal said.

Mr. Anwar's criminal trial, which was adjourned Jan. 14 for the Muslim holiday Eid al-Fitr, was scheduled to resume Tuesday.

"It's a crime not against any one faith or another, it is a crime against humanity."

The police blamed members of a Hindu extremist group, Bajrang Dal, for killing Graham Staines, 58, and his two sons on Sunday in the eastern state of Orissa after setting on fire the jeep in which they slept. The group has denied involvement.

The police have arrested 49 Hindu radicals suspected of having taken part in the murders.

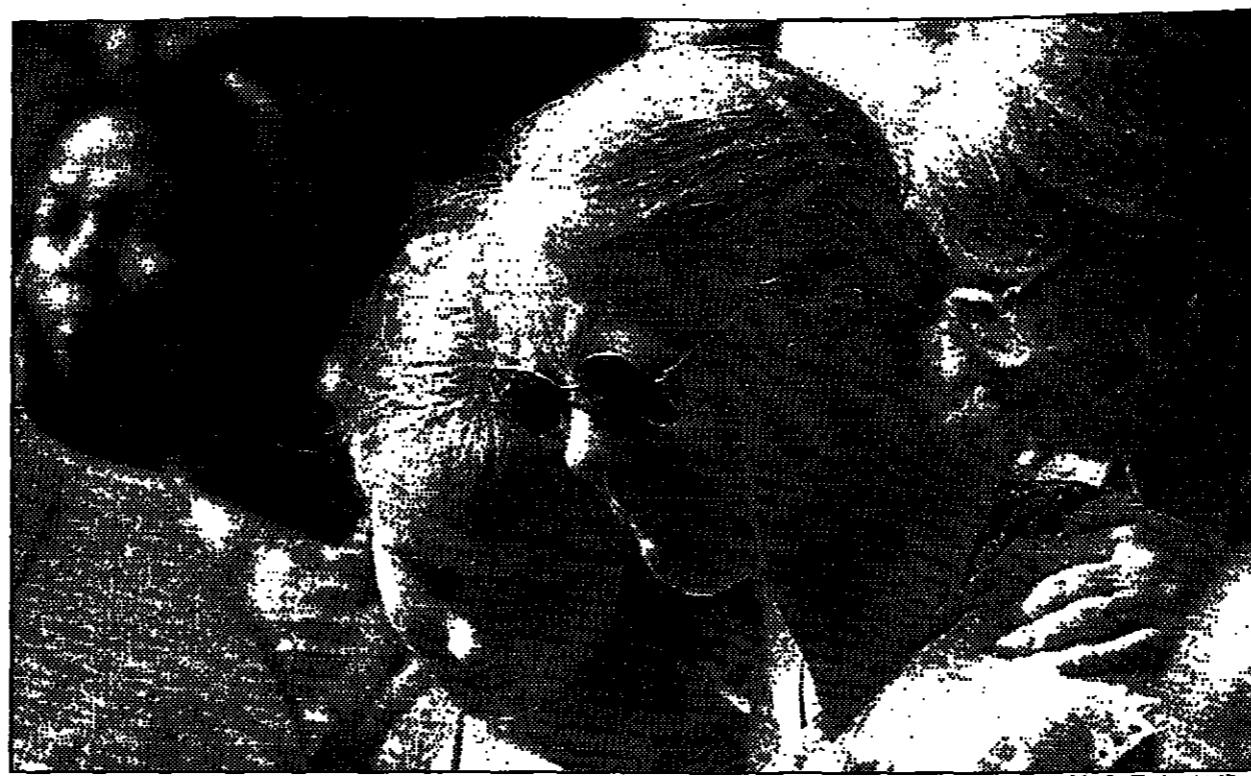
"The nation's conscience has been shocked by this," Mr. Singh said. He added that the government was bound "to ensure that the law of the land comes down with full might upon" the perpetrators.

The missionary's wife, Gladys Staines, and her 13-year-old daughter led about 1,000 mourners at a prayer service in Orissa, where Mr. Staines had worked with Indian lepers for 34 years.

The Australian foreign minister, Alexander Downer, said Australia had voiced its concern to the government over the attack on Mr. Staines and his sons, Philip, 10, and Timothy, 8.

"Mr. Staines devoted his life to serving others," Mr. Downer said. "And it is unconscionable that he and his sons should have been killed in this horrific way."

"The government expects that those responsible for the deaths of Mr. Staines and his sons will be brought to justice



Gladys Staines, right, with her daughter, Esther, attending the funeral on Monday in Baripada, India, of her husband and sons. They were burned alive while they slept in their jeep during an attack by Hindu radicals.

promptly in accordance with India's constitutional and judicial processes."

John Dayal, convener of the United Christian Forum for Human Rights, said Christian associations had written to 17 partners of the governing coalition, urging them to withdraw support.

The chief of a powerful regional partner, Jayalalitha Jayaram, called for "ruthless action against these new terrorists."

"I call now for action to expose and

punish the small group of terrorists who are seeking to destroy the very essence of India," Miss Jayaram, leader of the All-India Anna Dravida Munnetra Kazhagam party said in a statement.

President K.R. Narayanan, responding to the wave of attacks on Christians, said Monday that the country's unity was based on an age-old tradition of tolerance and finding goodness in every religion.

In his customary address to the nation

on the eve of Republic Day, the president quoted India's independence leaders to remind people of the need for different religions to work side by side.

A spate of attacks on Christians in recent weeks has brought dismay and controversy at home and abroad. The police on Monday reported a new attack, saying radical Hindus attacked five Christian missionaries at a Hindu pilgrimage site in the northern state of Uttar Pradesh.

(Reuters, AP)

## North Korean Defectors to Sue South's Spy Agency

*The Associated Press*

SEOUL — Five North Korean defectors plan to sue Seoul's intelligence agency for allegedly torturing and mistreating them, they said Monday.

"We will file a lawsuit when we get medical and other documents to prove that we were abused," said Han Chang Kwon, a North Korean defector representing the group.

Because of law changes, Mr. Han and others who defected to South Korea between December 1993 and December 1998 received far less settlement money than those who arrived before or after them, it said.

About 10 defectors, including Mr. Han, are waging a campaign to get the government to apply the most recently revised law and to date out more subsidies, the intelligence service said.

Mr. Han denied the agency's claim. About 260 North Koreans have defected to South Korea in the past four years.

When defectors arrive in Seoul, they are subject to intensive questioning by intelligence officials about their background and their choice to defect.

Most defectors are questioned for about a week in an effort by the intelligence agency to weed out possible spies. Then they are required to receive at least five months of orientation and training in what the government says is a program designed to help them adjust to South Korean society.

The Koreans, divided in 1945, never signed a formal peace treaty after the Korean War ended in 1953.

### ■ Japan Seeks Arms Inspections

Prime Minister Keizo Obuchi of Japan called on North Korea on Monday to allow inspection of a suspected nuclear facility and expressed regret at a lack of progress in U.S.-North Korean talks held over the weekend, Reuters reported from Tokyo.

U.S. and North Korean negotiators met in Geneva to discuss a construction site in North Korea. Washington seeks to verify that the site is not part of a nuclear weapons program.

Mr. Obuchi said he hoped for North Korea's "fullest efforts to gain the understanding of international public opinion."

The North Korean situation is of vital interest to Japan, which was shocked by North Korea's launching of what Japan has described as a ballistic missile over its territory in August.

As the Japanese government is not in a position to negotiate directly, Mr. Obuchi said, it hoped to see progress in the U.S.-North Korea talks.

## CHINA: State Firm Fights Hard to Keep Its Telecom Monopoly

Continued from Page 1

brought in \$21 billion in revenue last year. It has fought fiercely, and sometimes violently, to maintain its monopoly, sending teams to outwit the times of potential competitors, beating up representatives of competing bureaus and routing people like the Chens.

Allied with China Telecom are hard-core members of the Communist leadership who think that one company can better limit the flow of information into China than many.

Facing off against China Telecom is a hodgepodge of bureaus, ministries, scholars and entrepreneurs who for various reasons call for the market to be opened.

There is China Unicom, a struggling phone company established in 1994, during China's first flirtation with competition, and which today has less than 2 percent of the market nationwide.

There is also the State Administration of Radio, Film and Television, the dark horse in this fight. One of its senior engineers, Fang Hongyi, is masterminding the creation of a nationwide cable network. China already has 50 million cable subscribers and 1,300 licensed cable operators. Wide-band cable is the next frontier for Internet, voice and video technology around the world and could become a formidable competitor for China Telecom if it is allowed to stay out of China's grasp.

"Our information industry is feudal," said Mr. Fang, 44, an electrical engineer. "It is controlled by a small gang of people who are holding the whole country back."

Mr. Fang recently proposed that special telecommunications zones be established with open competition and uncensored Internet access, much like the special economic zones of the 1980s that allowed China to experiment with capitalist ideas.

Some players favor competition in the telecommunications sector purely for profit's sake. For example, the army has helped Mr. Fang build the cable network, in addition to operating paging companies and owning 50 percent of a mobile telephone service.

While the army is under order to withdraw from most businesses, the government allows it to continue its telecommunications enterprises because it says it needs to stay abreast of technological changes.

Others think China's future lies in the free flow of information, and they adopt a philosophical stance. Some, such as the Ministry of Railways, which has let the cable network use its land to link provinces into a national web, simply do not want to see China Telecom become too powerful. Still others argue that real competition is the only way that China has any hope of moving from the Third World to the First.

As with most battles in China, the sidelines are packed with foreigners; in this case, Western telecommunications companies itching for a chance to enter China's market. Significantly, no matter who wins the battle, foreign compa-

nies are not likely to benefit much.

Late last year, China announced tighter regulations to ensure that foreign telecommunications companies, such as Sprint Corp. and Northern Telecom Inc., stop investing in phone systems in China. About 40 foreign-based companies had already dodged the ban and invested \$1.4 billion with China Unicom. Now they could lose it all.

Other new rules will require China's telecommunications operators, no matter who they are, to buy domestic products, closing the door tighter on Western equipment firms such as Lucent Technologies Inc. and Qualcomm Corp.

These tough regulations have emerged despite warnings from Washington that if China further shuts its telecommunications sector to Western participation, the United States will not back China's entry into the World Trade Organization.

The pressure on China Telecom has been enormous, and it has had an effect. China's Ministry of Information Industry has submitted a plan to break up China Telecom into four independent companies, according to reports in the state-run press. China Telecom would maintain its monopoly on fixed-line services, while the other firms would focus on mobile phones, pager services and satellite transmission.

## YUAN: China Rejects Devaluation Rumor

Continued from Page 1

While stocks and currencies would probably have fallen much more if traders expected devaluation in the very near future, they were broadly weaker after the China Daily article.

In Singapore, the Straits Times Industrial Index fell 80.7 points, or 5.5 percent, to close at 1,398.02. Hong Kong's benchmark Hang Seng Index, after falling more than 4 percent, closed 239.02 points lower, or 2.5 percent, at 9,499.50. The Philippines Composite Index fell 5.4 percent, Thailand's SET Index fell 3.4 percent, and Taiwan stocks fell 3.1 percent.

The Stratfor letter's forecast of an early devaluation is an extreme position in the debate. Most analysts in Hong Kong have forecast a stable yuan through at least the middle of this year. SG Securities is forecasting a 20.5 percent devaluation early next year, but only a wider trading band for the yuan later this year.

But some analysts say that even without an official devaluation, China is paving the way by achieving the same effect through internal policy: giving bigger tax and duty rebates to exporters and making imports cheaper by cracking down on smuggling.

"They're already devaluing by reimbursing export taxes," said David McClain, a finance professor at the University of Hawaii who writes the weekly "Economic Perspective" column for America's United & Babson Investment Report. In a recent interview he said: "If the Chinese were to change the currency's value formally, that's an overhang that would be gone. I'd sort of welcome that."

The official Xinhua news agency said Monday that rebates on some electronics exports were increased to 17 percent at the start of the year. It did not specify the previous rebate level.

It also said rebates on exports of textile fiber, rolled steel and cement had been raised to 13 percent and those on raw chemicals, plastics, and toys had been raised to 11 percent.

As important as such measures may be, some say the decision on whether to devalue as revolving around much more than export competitiveness. "It's a question of whether they can keep the economy moving or not," said Geoffrey Barker, chief economist at Dresdner Kleinwort Benson in Hong Kong.

Beset by increasing reports of social unrest, partly caused by layoffs at unprofitable state-owned industries and frustration over official corruption, China is trying to kick its economy forward by investing in infrastructure projects.

Exports last year did not grow at all, but fixed-asset investment by state companies rose 22 percent. If such massive spending fails to work, then China could conclude that devaluation is the best way forward, Mr. Barker said.

Others have pointed to another probable concern of the leadership in Beijing: an erosion of foreign exchange because of declining exports, not capital flight. Last year, despite a big current-account surplus and more than \$40 billion in foreign direct investment, China's foreign currency reserves hardly budged.

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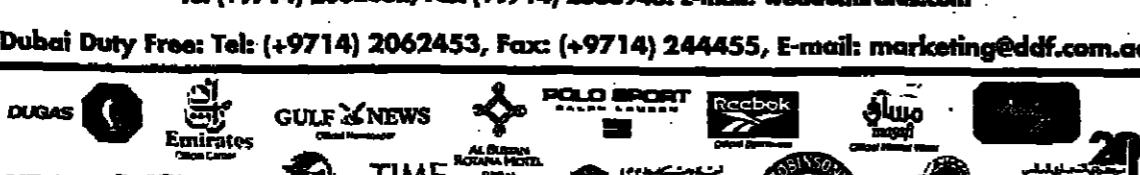
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## BRIEFLY

### Abuses Are Alleged In Sri Lanka Voting

KURUNEGALA, Sri Lanka — Election officers, monitors and opposition party complained of attacks on polling stations, vote-rigging and intimidation in a key provincial election in Sri Lanka on Monday. Independent monitors and the main opposition United National Party blamed the ruling coalition for the violence.

Large crowds had attacked polling booths in several areas of the Northwestern Province and chased away people waiting to vote, observers said.

"A large crowd came and took away the ballot books," said R. M. S. B. Ramayake, a polling official, in Mahawalama, near Kurunegala. "They chased the voters away, crossed the votes and stuffed the ballot boxes."

(Reuters)

### Indonesia Rioters Kill at Least 53

AMBON, Indonesia — Thousands of troops and police patrolled the streets of Ambon Island Monday after a soldier was murdered by rioters who refused to hand over their weapons. Days of rioting among rival Christians and Muslims left at least 53 people dead, the police said.

However, Baiteo, a nongovernmental organization in Ambon, said that accounts from witnesses indicated that the death toll could be more than double. (AP)

Ship Piracy Grows

HONG KONG — Ship hijackings in Asian waters have become more frequent and more violent, and entire crews may have been killed in some cases, industry officials and sources said on Monday.

Appealing to governments in the region to give priority to the problem, they said violence at sea would spin out of control unless action was taken.

"We have seen a lot of ships in this region, in the South China Sea and Indonesia, hijacked lately," said Noel Choong, regional manager at the International Maritime Bureau's piracy reporting center in Kuala Lumpur. "And this time, we find whole ships are missing with the entire crew," he said. (Reuters)

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## OPINION/LETTERS

**Impeachment and Trial Are Censure Aplenty**

By William Safire

WASHINGTON — Once a year I get invited to the White House for a quick brain-trust and mind-set on the State of the Union. This time I wandered in the wrong West Wing door and saw what I was not supposed to.

There was a worried-looking Betty Currie in the corner of the reception room, flanked by two grim suits offering advice, presumably not about her secretarial duties.

So what if White House aides were reassuring her, or even going over questions she might be asked if House managers call her to testify? They have been doing that for a year and nobody objected.

Then what was all the fuss about the House managers talking to Monica Lewinsky? They wanted to find out if she would clarify her sometimes ambiguous testimony before they asked the Senate for permission to depose her under oath.

President Bill Clinton, contrariwise, does not want to take the chance that Monica will reveal some damning detail of their cover story, or sharpen the conflicts in perjurious testimony about his passivity.

Here is the fair, unembarrassing, history-respecting solution: depose both Ms. Lewinsky and Mrs. Currie privately. If important discoveries or clarifications are made under oath to resolve disputes, call the two women as public witness.

If not, send both women home

and move to the verdict. This is orderly trial procedure, not rock-and-science.

After the presumed acquittal, should there be a vote of censure? I think not. If individual senators voting to acquit want to get well with a disapproving portion of their constituents, let them rise in their places and excoriate Clintonian behavior to their conscience's content, railing away into the night. Those who really want to get tough may even decline to sip acqainted champagne at the White House victory rally.

But impeachment and trial are censure aplenty. In 2001, Mr. Clinton may face perjury prosecution requiring a pardon from his successor; for now, however, he will have won the right to two more years of federal housing.

That is all he will win. His stratospheric job approval ratings reflect mainly today's great good times, and contrast sharply with the repugnance with which most Americans tell pollsters they view him as a person. Thus, the moaning of moralists, the hand-wringing of law-and-order types and the unhappiness of culturekampers at the artful Mr. Clinton's latest dodge are at least premature.

Instant analysts were bowled over by the very fact of his State of the Union address. But this giddy gallimaufry was an appeal to detach ourselves from reality.

After they gently ushered me out of the off-limits reception



area, I joined other thumbsuckers in the Roosevelt Room. There, four young Clinton aides rosesaw — with unblinking certitude — the next generation's ever-rising surpluses, and laid out how the money will be spent.

Wait. Only a few years ago, economic sages saw huge deficits, "as far as the eye could see." Wrong. Even this year's budget estimates of surpluses were tens of billions out of whack. Federal budget projections are near-Malthusian in their enormous error.

Yet here were these earnest guys, each preparing his résumé in case their boss gets the heave-ho next week, assuring the world

that U.S. government profit in the next 15 years would equal exactly \$4.5 trillion. And Senate numbers crunchers concur.

No recession; no medium-sized wars; no savings and loan bailouts; no pandemics; no stagflation; no tax cuts or spending increases by Congresses to come.

These memory-free central planners see nothing but linear loveliness and blue skies from now on.

After predicated the salvation of Social Security on this rosiest scenario, they carved out half a trillion of Maybeland money for the biggest income-redistribution scheme in history: "Universal Savings Accounts," a new

entitlement named after its initials, in which a chunk of the lifelong earnings of workers enhance retirement "savings" of the poor.

Tinsel is falling to confuse our radar. Can this lamest-duck administration commit a future president to a State of the Union message in 2015 married to the Clinton model?

No, the Era of Big Government will not return on the back of an Age of Absurd Expectations. Through the American people's ups and downs, the people and not the tax collectors will decide how to spend their earnings.

*The New York Times.*

## LETTERS TO THE EDITOR

**IMF and the Asian Crisis**

Regarding "The IMF Record in Asia Is Mixed" (Opinion, Jan. 21) by Philip Bowring:

In taking the IMF to task for its assessment of the Asian crisis, Mr. Bowring misses a few key facts.

Mr. Bowring complains about a "glaring" omission from the report of the role of short-term capital flows in the run-up to the crisis. The omission was deliberate. This topic was already discussed in the IMF in reports published in October and December 1998.

Mr. Bowring is in error in criticizing the decision to stabilize Asia's collapsing currencies through higher interest rates, which, he asserts, brought about the collapse of domestic demand and corporate bankruptcies. The report makes clear that a central problem was that firms and financial institutions that had borrowed in foreign currencies were battered by the exchange-rate depreciations; if the authorities had done nothing to resist these depreciations, the wave of bankruptcies and attendant collapse in demand

would probably have been worse.

His claim that the Fund recommended the closure of 16 Indonesian banks after a "few days of quick study" flies in the face of the record. The IMF had provided assistance to Indonesia on its banking system for several years before the crisis erupted. The IMF agonized over the closure of the banks, in part because it was known that more institutions were in trouble.

The IMF will continue to assess the events of the past 18 months to better prevent future crises.

There is no question that there are important lessons to be learned from the Asian crisis — and the IMF is learning them.

SHAILENDRA ANJARIA

Washington

*The writer is director of the IMF's External Relations Department.*

**Britain's China Policy**

Regarding "British Foreign Policy Remains Based on Two Illusions" (Opinion, Jan. 6) by Roy Denman:

Mr. Denman is right in char-

acterizing Britain's foreign policy as hostage to that of the United States. Prime Minister Tony Blair's government has told the Chinese dissident leader Wei Jing-sheng that despite the crushing of dissent within China and the efforts of the regime to thwart democratic change, Britain will take its cues from America's policy, which is one of appeasement.

GILBERT JONAS

New York

*The writer is treasurer of the Wei Jing-sheng Foundation.*

## BOOKS

**BUTCH CASSIDY**

A Biography

By Richard Patterson. 362 pages.

Paperback, \$19.95. Nebraska.

Reviewed by Jonathan Yardley

AS Richard Patterson's abundant bibliography and notes make plain, the story of Butch Cassidy has inspired an extraordinary amount of writing over the years, some of it faintly scholarly but much of it myth-making pure and simple. The most notable example is, of course, William Goldman's screenplay for "Butch Cassidy and the Sundance Kid," the male-bonding film starring Paul Newman and Robert Redford in which what Patterson calls "the hokey Robin Hood type of tales that are forever told about Butch" reached their apotheosis.

The human taste for romantic outlaws is something of an aberration, but not a disagreeable one. We envy the person whose only rules are the ones he sets, who follows his own star, who laughs at the conventions to which the rest of us so slavishly conform. It helps if, like Cassidy, the outlaw steals but does not kill, stirs ardor in the hearts of the opposite sex and cuts a reasonably handsome figure.

Over the years Cassidy has been so thoroughly romanticized that it's just about impossible to tell fact from fiction, but Patterson makes a noble effort to that end. A lawyer who in his retirement has turned to writing about various aspects of the history of the American West, he is a thorough researcher, but, alas, a

lifeless prose stylist. There is much to be learned from his life of Cassidy, but he manages to drain the story of its humor and drama; whether, as a result, this book will be of interest to many readers beyond other specialists in the West is highly doubtful.

Another difficulty with the book — this not at all of Patterson's making — is that Cassidy left a scant and often misleading paper trail. Confronted at one turn after another with the unknowable, Patterson must fall back upon the vocabulary of speculation: "may have been," "probably," "isn't known," "as some have suggested," "we can only guess," "may never be established," "if the story is true." As it happens, all of the inferences Patterson draws and the speculation in which he engages seem legitimate, responsible and commonsensical, but a narrative couched in such language is inherently compromised.

What we know for certain is that Cassidy was born Robert Leroy Parker in Utah in 1866 to pious Mormon parents; that he was a cheerful and fun-loving but restless and independent youth who struck out on his own and soon found his way into such gainful occupations as horse rustling, payroll heists and train robbery; that he changed his name to George Cassidy and eventually became known as Butch; that he did a couple of years in the Wyoming State Penitentiary, where his outlaw instincts were confirmed and hardened; that he had a ranch at Bear Creek, in Wyoming, "about ten miles northwest of the Hole-in-the-

Wall"; that in time he hooked up with Harry Alonzo Longabaugh, a.k.a. the Sundance Kid, with whom he jointly ran a gang called the Wild Bunch; that when things got hot they escaped to South America; and that...

Here the trail runs cold. Apparently, but by no means certainly, Butch and Harry ran into an armed patrol in San Vicente, Bolivia, in the late fall of 1908. There was a shootout in which two foreigners were killed. According to Patterson, research strongly indicates that the dead men were Cassidy and Longabaugh. But there has also been a great deal of fantasizing and romanticizing, and there seem to have been at least as many Butch Cassidy sightings as there have been Elvis Presley sightings.

Whatever the truth about Cassidy, he and his partner live on in American mythology, along with Bonnie and Clyde, John Dillinger and other outlaws, many of whom were less engaging and more violently inclined than these two romantic antiheroes. As mythologizing goes, surely this is of the most harmless variety. Civilized society is always of necessity restrictive and conformist, but there is in all of us, as there was in Huck Finn, the longing to light out for the territory, to go where humankind can be lawless and free. That Butch and Sundance were not really all that free — that they lived in hiding and on the run — is far less important than that we believe them to have been. It's the myth that matters, not the man.

*Washington Post Service*

## CHESS

By Robert Byrne

THE Marshall Chess Club's Winter International Tournament, held in its Greenwich Village townhouse from Dec. 12 to 22, was organized to give opportunities for young players to attain norms toward grandmaster and international master titles. Alexander Stripunsky, a Queens grandmaster, won the \$300 first prize in the 10-player invitational event with a 6 1/2-2 1/2 score.

**PIRC DEFENSE**

White	Black	White	Black
Ashley	Strig'sky	Ashley	Strig'sky
1. e4	d5	21. Rdc1	20. e5
2. d4	Nf6	22. Nxe4	Nd4
3. Nc3	c5	23. Nxf6	Nb4
4. Nf3	Bg5	24. Bc3	Rb8
5. Bc2	Be7	25. Nc3	Qd7
6. 0-0	g6	26. Nfd5	Rbc8
7. Bf3	h5	27. Nf2	Rc7
8. e5	Nf6	28. Ng4	Rfc8
9. Nc2	Bd7	29. Nhf3	Kg7
10. Nf2	g5	30. f5	ef
11. c3	Nc5	31. g4	f4
12. f4	g6	32. Rxf4	Rc1
13. Nf3	h5	33. Kxf4	Rb8
14. cd	g5	34. Rf3	Rb4
15. Nc3	h5	35. Rxf3	Rd4
16. Qc2	Qd5	36. Qd1	Rd1
17. Rad1	Qf5	37. Qd2	f6
18. Bf2	Qd5	38. Bf4	Qd4
19. Nc5	Qf5	39. Qd3	Qd3
20. Bf3	Qd5	40. Qe3	Qd3
21. Resigns			

with 33 gf. He could defend against 33 Bf4 by 33...Rc1!

After 34...Bb4, Ashley might have tried 35 Rh3 because 35...Qe7? would then be slaughtered by 36 Nf5 gf 37 gf with crushing threats of 38 Qh5 or 38 Qg4. But the situation would not be clear after the problem 35...Bd8 36 Nf5 Kh8.

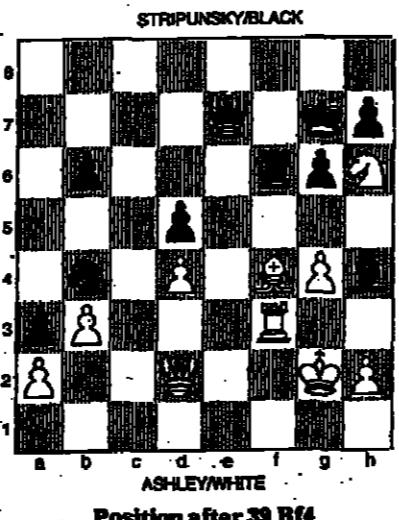
After 35 Rd1?!, Rd1 35 Qd1 Qe7? 37 Qd2 f5 38 ef Rf6 39 Bf4? Qe4! (threatening 40...Rf4 41 Qf4 Qf4 42 Rf4 Kh6 as well as 40...Bf5) 40 Qe3 Qe3, Ashley gave up.

Ashley's 13 Nb3 was wasted motion; there was no reason to encourage the exchange 13...cd 14 cd. He should have proceeded directly to a kingside attack with 13 g4!, especially since counterattack with 13...h5 could be hit hard by the line-opening 14 f5!

Again, after 14...Q-O, he should have attacked with g4. Instead he took another piece away from the important kingside with 15 Nc2??!

After 19...a3!, it was clear that the queenside attack was solidly in Stripunsky's hands. With 28 Ng4, Ashley finally moved against the black king, and maybe it wasn't too late.

Stripunsky's 32...f4! prevented Ashley from getting an avalanche going

**A Nation of Clones' Gets Its Turn in the Spotlight**

By Simon Mawer

ROME — The genome mania has put Iceland back on the map. It seems that someone has dreamed up the brilliant idea of marketing Iceland's best natural resource after code wonderfully unvarying human genome.

What makes Icelandic DNA such a hot commodity is that it promises to solve one of the

sale. Moreover, he has actually gone on record with his own personal commitment to genetic improvement: "It certainly would be nice," he declared, "if the gene responsible for all the wrangling and quarreling which has often obstructed progress in this country could eventually be identified and isolated."

Which only goes to show that a gene for political sensitivity is not carried by Icelandic politicians.

The motives behind all this are, of course, ambition and good old love of lucre, and everyone seems to have the genes for those. The contract for the Icelanders' genetic and medical soul amounts to some \$200 million, and as there are a mere 270,000 Icelanders, whose principal source of income is fish, that puts the whole thing in perspective.

How much good it will do mankind is a moot point. One thing is certain about diseases: Most of those with a powerful genetic component are the ailments of the affluent West, the self-induced diseases of lifestyle. As for the vast majority of the human species — the not-so-blonde nations of the world — the battle is still against plain old-fashioned infectious disease. Genetics has precious little to do with that. That fight could be largely won with basic hygiene and clean water, but it is not a very promising market for Swiss pharmaceuticals.

The writer, author most recently of "Mendel's Dwarf," contributed this comment to *The New York Times*.

**An Ironic Decision**

HUMAN BODIES have been commodities for a very long time. Prostitution and chattel slavery are, after all, biblical, while modern capitalism has opened up new markets in blood, sperm and body parts.

Iceland, however, has carried this process to its logical conclusion by making its entire population into a captive biomedical commodity. It is a curious irony that the only known national society that was formed to escape any form of state power should be the first to embark on this enterprise.

— R. C. Lewontin, writing in *The New York Times*.

*The writer, author most recently of "Mendel's Dwarf," contributed this comment to *The New York Times*.*

*The writer is director of the IMF's External Relations Department.*

*Britain's China Policy*

*Regarding "British Foreign Policy Remains Based on Two Illusions" (Opinion, Jan. 6) by Roy Denman:*

Mr. Denman is right in char-

acterizing Britain's foreign policy as hostage to that of the United States. Prime Minister

## The Drama Is in the Details



Givenchy's butterfly face-markings and parasol.



Dior's surreal eye pins on black and white outfit.



Hanae Mori's feather puff at the rear of a lace dress.



Paco Rabanne's translucent Pierrot ruff-collar.



Gaultier's breastplate and African-style bangles.



Lacroix's fabric flowers forming a ruff collar.

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## Sex, Glamour, Empowerment

By Suzy Menkes  
International Herald Tribune

**P**ARIS — "Comfort, what is comfort? What about confidence?" With those words, Thierry Mugler sums up his fashion philosophy and defines his female superheroes with their hour-glass suits, dominatrix silhouettes and vertiginous heels.

His vision is as far as the pale blue horizon can stretch from simple, straightforward sportswear, which is why his most enthusiastic clients are strong women, from Jerry Hall through Ivana Trump. "Feminine," "glamorous," "empowered" — and "desirable" — is how Trump describes herself when dressed in Mugler's hallmark style: a firm-shouldered, scalpel-sharp suit that looks like a caricature of the predatory female.

"A very strict suit," Mugler says. "But then when she moves, the skirt opens up high on her thigh, or you may find out that she is naked under her jacket."

Not one to mince words, the designer calls the striking picture book he released in Paris last week, along with his latest couture collection, "Thierry Mugler: Fashion Fantasy."

Among the 192 arresting images, many choreographed and photographed by Mugler himself, are women captured in vast open spaces, from sand dunes to sky-scapes, their lipstick and hair gleaming, full bodies inside a crisp carapace. Most extraordinary are the insect-woman outfitts, created for a show in the mid-1990s, when shiny black suits created ant figures or horned and striped hedgehogs buzzed "wasp."

In the 21 years since the young dancer from Strasbourg set up his own fashion house, Mugler has found fans in the film world, not least Cyd Charisse, who kicked her famous legs for him a year ago. His constructed fashion, creating a glamorous image with cunning artifice, is akin to the way that silver screen stars were dressed by the studios in Hollywood's glory days. Movie folk appreciate that legacy.

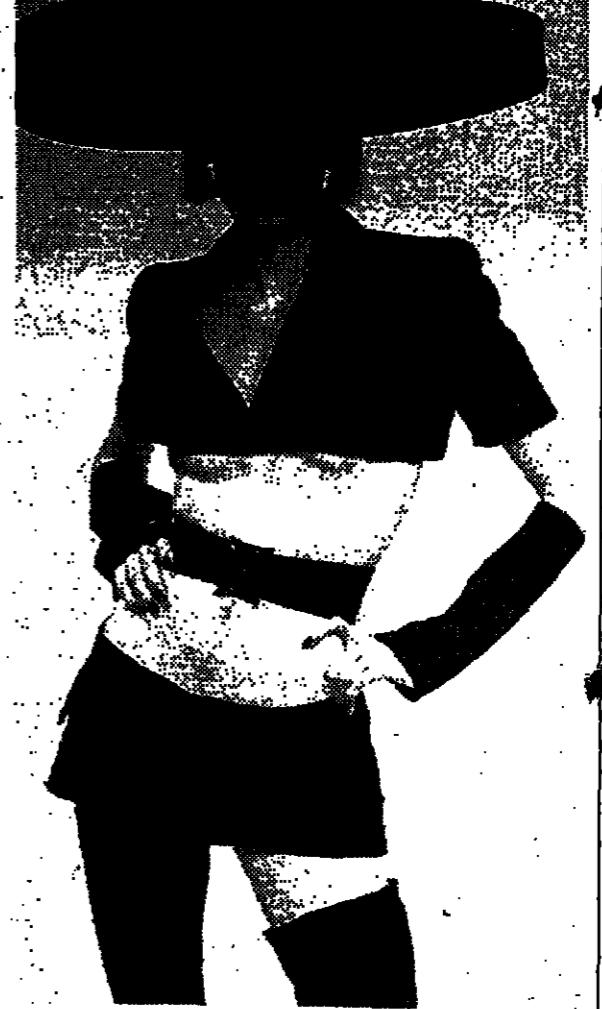
"I am addicted to and enchanted by his use of sexy fantasy," says the Spanish director Pedro Almodovar.

Mugler's couture show, which took the iconic Parisian little black suit and sliced it up with dexterous skill to disturbing effect, displayed the designer's strong personal signature and singular image. To re-inforce the message of Amazonian woman, he even had a model decked out with African markings and carrying a spear.

You could call it African the style's essence of politically incorrect fashion. It expresses rather an essential gallic style in its sophistication, chic and its insistence that a woman should work at being glamorous, squeezing herself into his tailored clothes — although he also makes more romantic floaty dresses.

"Fashion — it's wonderful and very cruel. A very demanding mistress," is another of Mugler's bon mots.

Or as the American fashion editor Polly Mellen puts it, when referring to his hug-me-tight silhouette: "Who needs to breathe, anyway?"



Thierry Mugler's sliced up suit from his spring/summer couture.

## When Little Things Mean a Lot

By Suzy Menkes  
International Herald Tribune

**P**ARIS — The dress was pale and simple, but the earrings were huge. Great half-moon circles dangled from the lobes and an armful of bangles ran circles of color from wrist to elbow.

Like so much in the spring/summer high fashion season, the clothes seemed whisper-quiet, but the drama was in the detail.

If you turned Valentino's beige coat inside-out, dense embroidery covered the lining. At Balmain, where a series of clothes came out in shades of cream and white, the purses were patterned with paisley.

The story is more than a return of accessories showcased against a minimalist background. Designers in last week's Paris shows were not so much adding on to an outfit or spicing it up, but rather building in detail and decoration.

Take the ruff. Maybe it is the fallout from Tudor costumes seen in the movies "Elizabeth" and "Shakespeare in Love." Whatever the inspiration, the ruff, out of style for more than 400 years, has suddenly made a comeback.

Whether it is made in high-tech fabrics or painstakingly created with careful craftsmanship, the new-age ruff becomes a circle of upstanding feathers, a puff of cellulose or outsize fabric flowers caressing the neck. When each of those flowers has been individually handmade or the plumes are dyed and decorated to order, these details create genuine couture effects.

The breastplate and the torque are other items that have returned to the fashion map. They bark back to the ancient Greeks and Romans or suggest ethnic accoutrements. The point of such pieces, when used by Jean Paul Gaultier, for example, is that they become an integral part of the garment, with fabric draped, folded and suspended from what might otherwise be just a striking piece of jewelry.

In a similar vein, Yves Saint Laurent used a ring at the midriff through which to twist the soft crepe of a draped dress; and he had tufts of birds of paradise feathers arching up from the shoulders. At Dior, John Galliano's take on surrealism produced a black dress suspended from rimestone wrist watches as shoulder straps.

Even the belt has become more than a waist-marker. At Givenchy, Alexander McQueen cinched his tooled leather cummerbunds like corsets around slim dresses, with the same punched leather for a hat. Karl Lagerfeld used square-link metal belts — the modernist version of the Chanel chain — to weave in and out of the clothing. Hats at the Chanel show were more like stockings — thin stretch tulle Juliet caps pulled over the head.

Ribbons are a current fashion thing, but they too are becoming more complex than a few dangling strings. Christian Lacroix wrapped a dress like a gift parcel, criss-crossing silken ribbons at the midriff.

McQueen created a showpiece outfit for Givenchy, worked from 1,000 meters of pink, rust and green folded ribbons. A less virtuous, but more elegant, piece was Chanel's beaded cardigan, which ended at the hips in a ragged fringe of tiny pearls.

Sometimes details that make the difference can be ephemeral, like the face-markings and body paintings that appeared at shows from Givenchy through Thierry Mugler. McQueen created butterfly-wing patterns at the eyes, matching the swirling pattern of a dress and a butterfly-trimmed parasol, while Mugler's markings were part of an African theme.

Jewelry with a tribal feel was a familiar story, with even Saint Laurent offering sophisticated versions of the handpiece and the snake bracelet in sparkling faux diamonds. At Balmain, Oscar de la Renta had chunky necklaces of metallic coins and what looked like semi-precious stones from turquoise through jade and agate.

But alongside the rivulets of multi-colored beads, there

was also a strong trend toward the metallic. That could mean Gaultier's hefty breastplates or the sleek sculpted purse at Chanel, where the house's new space-age modular bag came in a mini evening version.

Ultra-fine metal filaments were also used at Chanel as delicate double-circle pendant earrings. The hooped earring, whether you see it as gypsy or ethnic, appeared in many collections. There were circles and chandeliers of colorful glass beads from Ungaro and Valentino, and bold metallic crescents from Galliano.

Bangles echoed the same spirit: thin bands of glass beads at Ungaro, and hefty bands of amber or ivory at Gaultier and Mugler. The translucent bracelets at Hanae Mori, looking like frosty foliage, were another take on bold, yet delicate, jewelry, as were Lacroix's multi-beaded necklaces. But for most designers, necks were still bare, with the focus on ears and arms.

**S**OMETIMES the detail was expressed in perversity: One unremarkable outfit saved its drama for the rear view. Donatella Versace had dresses swooping into a swallow-tail at the back or a banana-leaf jacket woven into three corners at the back like a frozen sculpture. Galliano turned a tuxedo jacket or blouse back to front.

To make sure we got the surreal message, he put pins in the shape of the human eye with a clock face at the center. They were used at the front or back of two black and white outfitts.

More classic back interest appeared at Hanae Mori as a corsage of flowers slung diagonally across a lace dress, as a big, flat bow and central flower at the rear, or as a tuft of feathers balanced saucily on the derriere. Lacroix played with the bustle, whooshing up polka-dot fabric at the back over a long skirt.

The most obvious change in the spirit of haute couture for the new season is that the outfit no longer makes a big statement — but the details speak volumes.

## CROSSWORD

## ACROSS

1 Aline founded in 1827  
4 Garden smother  
10 Bygone Mideast leader  
14 D-Day beach  
18 "Make it quick!"  
20 Showed up  
22 "Look who just showed up!"  
24 Uncle of rice  
26 Court game  
28 Chuckhead  
30 Marooned  
motorist's need  
32 Scouting job

39 — Gras  
40 Perpendicular to the keel  
44 "With a View"  
45 Where cold cuts are cut  
46 "This — fair!"  
48 Popular basketball shoe  
50 Midlife crisis  
54 Rudey abrupt  
56 Escape detection of fame  
58 Eagle's home  
60 Fisher Hideo Nomo's birthplace  
62 Popular oil additive

64 Spy vs. Spy magazine  
65 Intern in the news  
66 Spooky sighting  
67 Rutgers, e.g.  
68 "Raison d—" 69 Numbefull  
70 Blast from the past  
71 Drifts off  
72 Levee be  
73 Thugs

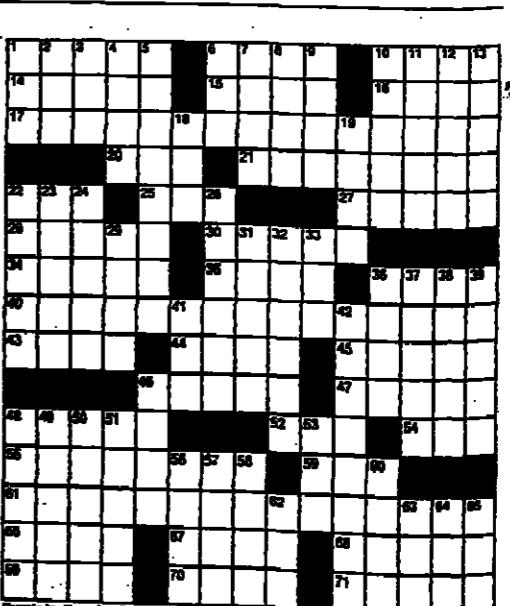
## DOWN

1 Not neg.  
2 Sound booster  
3 Highland negative  
4 Captain of the Pequod  
5 Provide (or), in a schedule  
6 "A Yank in the 1941 war film"  
7 Regarding a actress Madeline Fencer's blade  
8 Public row  
11 Rumous damage  
12 Protein building block  
13 Her face launched a thousand ships

15 Lennon's lady  
16 Quad building  
17 Impact sound  
22 Baseball's Hank Aaron  
24 Lyng lacquered  
25 Crumples into a tiny ball  
26 Peacock  
28 A round at the tavern, say  
32 Delights  
33 Do poorly  
35 Cassaway's spot  
37 — und drang  
38 Gymnast Connec  
39 In a corner  
41 Company with a dog in its logo  
42 Quaint children's game  
43 Shady route  
44 Sportscenter Merlin  
45 Brawl  
46 O. Henry, in the literary world  
51 Toys with tails  
53 Wed. preader  
55 Brewski  
57 Shoelace problem  
58 Cry of pain  
59 1993 peace accord city

Solution to Puzzle of Jan. 25

ACUTE LIAR MELTS  
MAIL URGE IDEAL  
ASTIL COON LIEBY  
STANDING ORDERS  
SERONIA TIE  
RUNNING WATER  
SUD BOAD ASTHMA  
ITEM BIN TEED  
DAMASK NOAH JAH  
SHOOTING STAR  
ALA THAILD  
FLYING SQUIRREL  
ALIEN STUN TAGO  
DANTE ALICE TROUT  
ONAIR TOSS YIPS



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## EUROPE

## UBS Plans to Rein In Investment Banking

Bloomberg News

ZURICH — UBS AG said Monday that it would rein in its investment banking and lending operations and turn to more secure lower-margin businesses such as private banking after losses last year at its Warburg Dillon Read securities company.

Because it will be cutting the amount of money dedicated to investment banking, where potential returns are higher, UBS said, profit in 2002 will be 10 percent lower than it forecast when the bank was created through the \$29 billion merger of Swiss Bank Corp. and Union Bank of Switzerland last year.

UBS said Warburg Dillon Read had cut its "risk appetite" by about 50 percent and planned to further reduce its market risk and counterparty exposure. But UBS said the investment bank would continue to play a "key" role in its strategy.

"Investors have lost confidence in UBS because they don't know what's at risk," said Stephan Camper of Bank Sarasin & Cie. in Basel. "This will help to calm their nerves."

UBS suffered from a slump in third-quarter equity prices and the near-collapse of Long-Term Capital Management LP, a U.S. hedge fund, which has so far cost UBS 790 million Swiss francs (\$571.6 million). UBS said it expected "moderately positive" fourth-quarter earnings.

UBS said it planned to grow without making large acquisitions, which may allow it to buy back its own stock. UBS executives said they had earmarked about 500 million francs for investment-bank purchases and as much as 7 billion Swiss francs for acquisitions related

to private banking. UBS is expected to show earnings of about 3.2 billion francs for 1998.

The bank's earnings forecast of 45 francs a share for 2002, down from the 50 francs predicted when the bank was created, would result in a profit of about 9.5 billion francs, based on the current number of shares outstanding.

Swiss Bank spent more than 2 billion francs to acquire the British investment bank S.G. Warburg in 1995 and the U.S. advisory firm Dillon Read & Co. in 1997. The resulting investment bank's returns still lag those of rivals such as Merrill Lynch & Co. Warburg posted a loss of 1.23 billion francs for the first nine months of 1998.

UBS shares closed 2 francs higher at 432 on Monday.

UBS made the comments about its plans while speaking to investors for the first time since reporting a third-quarter loss of 911 million francs. The loss came after its investment in Long-Term Capital evaporated, prompting the resignations of four top executives including the chairman at the time, Mathis Cabiallavetta.

## 3i Looking At Electra

Compiled by Our Staff From Dispatches

LONDON — The European venture-capital fund 3i Group PLC said Monday it was negotiating to acquire Electra Investment Trust PLC, expanding 3i's interest in large companies.

Electra has a net asset value of £1.1 billion (\$1.82 billion).

Shares in Electra surged 119 pence to 625.5, nearing the 725 pence a share that 3i was reported over the weekend to be offering for the fund.

Shares in 3i climbed 14 to close at 631.

As the largest publicly traded venture fund in Europe, 3i has specialized in buyouts of small and medium-sized companies, investing £448.5 million in 267 businesses in the first half of 1998. Electra has specialized in larger acquisitions, leading the acquisition and £1 billion sale in 1997 of Eversholt Leasing Ltd., a British train-leasing company.

The move comes as fund managers have moved away from investing in small companies in favor of more liquid stocks. (Bloomberg, Reuters)

## Vivendi and Canal Plus Raise Pathé Stake to 24.6%

Compiled by Our Staff From Dispatches

PARIS — The French conglomerate Vivendi SA and its pay-television affiliate, Canal Plus SA, said Monday that they had raised their combined stake in their production partner, Pathé SA, to 24.6 percent.

Pathé has a net asset value of £1.1 billion (\$1.82 billion).

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The move comes as fund managers have moved away from investing in small companies in favor of more liquid stocks. (Bloomberg, Reuters)

pany Bollore Technologies SA in part by taking over family-run companies, made a gain of about 800 million French francs (\$141.4 million) on the sale.

Pathé and Vivendi said they had signed a five-year agreement with the chief executive of Pathé, Jerome Seydoux, and his family giving them pre-emptive rights to each other's stakes in the company. Mr. Seydoux and his family together owned 28.9 percent of its capital and 44.5 percent of its voting rights at the end of 1997.

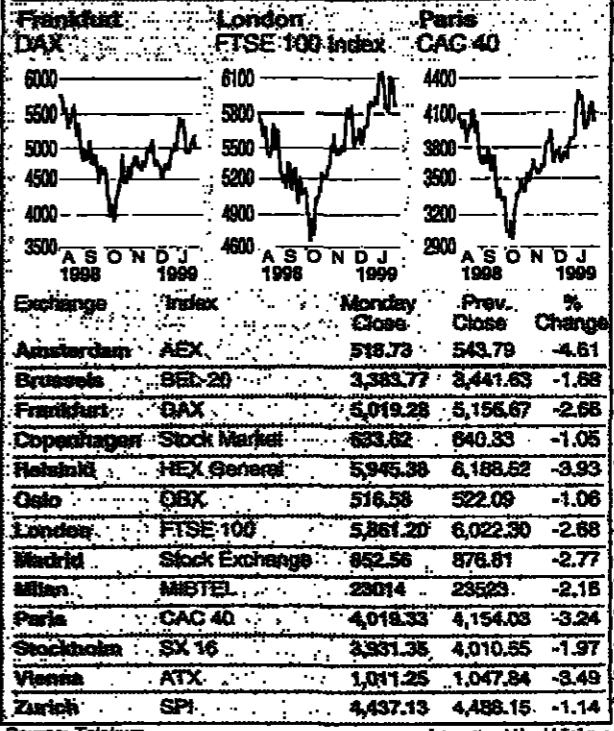
Pathé owns 20 percent of Canal Plus' CanalSatellite digital satellite service, the arch-rival of TF1's TPS, or Television par Satellite, service.

It also has 17 percent of the BSkyB British satellite TV operation, which is 40 percent-owned by the media magnate Rupert Murdoch.

Vivendi owns 16.3 percent of Pathé, and Canal Plus owns 8.3 percent. Vivendi, a water utility that last year made a push into media by buying Havas SA, France's biggest publisher and Canal Plus' parent, said the Pathé investment would "support Canal Plus's strategy of creating value for its shareholders."

(Reuters, Bloomberg)

## Investor's Europe



Source: Telekurs

International Herald Tribune

### Very briefly:

• LVMH Moet Hennessy Louis Vuitton SA of France raised its stake in Gucci Group NV, an Italian fashion house, to 34.4 percent from 26.7 percent.

• Ericsson AB's plan to cut more than 10 percent of its workforce, or 11,000 jobs, in the next two years is expected to cut costs by 3 billion Swedish kronor (\$385 million).

• Lonrho PLC had a pre-tax profit of £84 million (\$139.1 million) in the year that ended Sept. 30, its first results as a solely mining-focused group, and it will change its name to Lonmin. Lonrho has spun off its nonmining businesses.

• OAO Gazprom plans to trim about 10 percent of its 350,000 employees to offset a poor record of payment for gas deliveries and the rising cost of servicing its \$9 billion foreign debt.

• Romania sold a 65 percent stake in its largest oil refinery, Petromidia SA, to Akmaya Sanayi ve Ticaret AS of Turkey, for \$465 million.

AP, Bloomberg, Reuters

## WORLD STOCK MARKETS

Monday, Jan. 25

Prices in local currencies, in euros for EMU countries.

Telekurs

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Previous: 518.73

High Low Close Prev.

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Previous: 3,595.00

High Low Close Prev.

London FTSE 100: 5,225.00

Previous: 5,195.00

High Low Close Prev.

Milan MIB: 11,200.00

Previous: 11,050.00

High Low Close Prev.

Paris CAC 40: 3,625.00

Previous: 3,595.00

High Low Close Prev.

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Previous: 11

NYSE

**Monday's 4 P.M. Close**

**Monday 5-4 P.M. CDT**  
The 2,300 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere  
*The Associated Press.*

The Association Press

2020 年度  
第 1 四半期決算

Type	12 Month			52		
	High	Low	Stock	Dly Yld	PE	52w
+	189	74	EFERD	1.00	1	1472
+	277	214	ENRPT	2.00	10	205
+	277	214	ENRPT	2.00	10	205
+	124	114	ENRPT	1.41	21	2116
+	97	84	ENRPT	1.41	21	1196
+	38	17	ENRPT	1.41	21	1196
+	45	34	ENRPT	1.41	21	1196
+	73	34	ENRPT	1.41	21	1196
+	597	261	ENRPT	1.20	23	4491
+	278	201	ENRPT	1.20	23	2253

Group	NHC	Low	Shock	1980		1981		1982		1983	
				1	2	1	2	1	2	1	2
+16	2046	MCHT6	1.8	7.3	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+15	2045	MCHT1	1.8	7.3	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+14	2044	MCHT20	3.0	4.6	3.0	3.0	3.0	3.0	3.0	3.0	3.0
+13	1674	MCHT11	1.2	2.7	1.2	1.2	1.2	1.2	1.2	1.2	1.2
+12	1675	MCHT12	1.2	2.7	1.2	1.2	1.2	1.2	1.2	1.2	1.2
+11	2742	MCHT13	4.4	2.7	4.4	4.4	4.4	4.4	4.4	4.4	4.4
+10	2743	MCHT14	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+9	1597	MCHT15	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+8	1598	MCHT16	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+7	1714	MChT17	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+6	2050	MChT18	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+5	2051	MChT19	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+4	2052	MChT20	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+3	2053	MChT21	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+2	2054	MChT22	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
+1	2055	MChT23	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
-0	2056	MChT24	1.8	2.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8

# Experience

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Continued on Page 15

## مقدمة عن الادب العربي

**NASDAQ**

**Monday's 4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
The Associated Press.

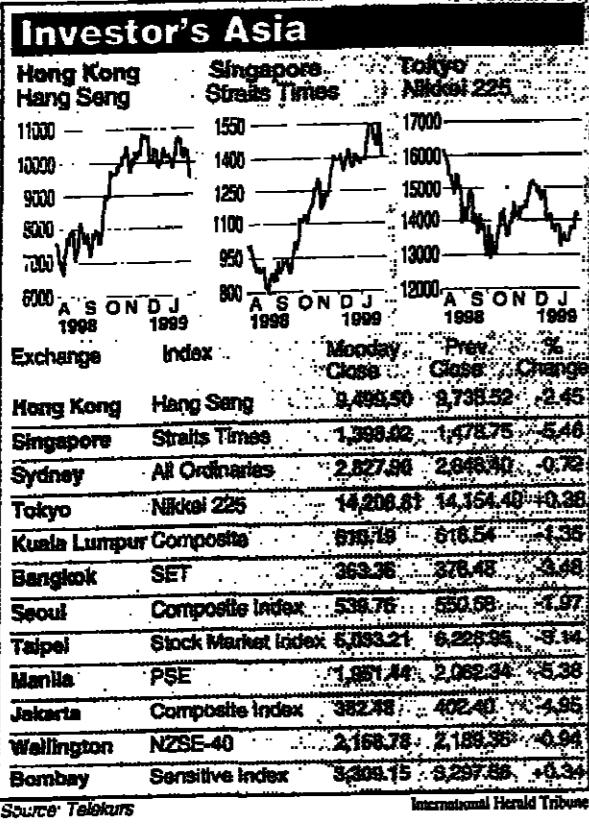
Monday's 4 P.M.  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
The Associated Press.

**NYSE**

**Monday's 4 P.M. Close**  
**(Continued)**

**AMEX**

**Monday's 4 P.M. Close**  
The 150 most traded stocks of the day,  
up to the closing on Wall Street.



Compiled by Our Staff From Databases

**KUALA LUMPUR** — Prime Minister Mahathir bin Mohamad told a group of foreign investors Monday that his government was still studying ways to relax its exchange controls, and he did not say when the limits on foreign portfolio investments would be eased, his aide said.

Mr. Mahathir met about 30 fixed-income managers on the first day of their two-day visit to Malaysia, which shut the door on short-term investments in stocks and bonds as part of the capital controls it imposed last September.

Mr. Mahathir told the fund managers that the country was still reviewing a plan to replace the one-year ban on foreign portfolio investments repatriating their funds with an exit tax, the aide said.

The outspoken Mr. Mahathir has repeatedly held foreign speculators responsible for Malaysia's economic woes, which have sent the country into its first recession in 13 years. But he is eager to attract foreign investment to help generate economic growth before the next

elections, which are due by April 2000. Finance Minister Daim Zainuddin, meanwhile, said the country may raise the 30 percent limit on stakes that foreigners can own in its banks as one way to pull in investment and help fix the banking industry's bad-debt problem.

Proposals will be examined "on a case-by-case basis," Mr. Daim said.

The meeting of foreign fund managers is being arranged by Malaysia's financial adviser, Salomon Smith Barney. Those attending include representatives of Jardine Fleming Holdings Ltd., J.P. Morgan & Co. and Prudential Investments.

One of the representatives said foreign investors, who dumped Malaysian stocks and the ringgit in 1997 as Asia's economic crisis deepened, were now taking a second look at the nation.

But the capital controls remained a major concern, said the representative, who asked not to be identified.

"I'm tempted to say that Malaysia should declare victory and lift all the

controls because the thinking internationally has changed so dramatically," Stephen Tiran, global head of Salomon Smith Barney's sovereign risk research said Sunday.

Under the rules imposed last September, foreign companies cannot repatriate portfolio investments before this Sept. 1 or 12 months from the date of investment, whichever is later. At the same time, Malaysia pegged the ringgit at 3.80 to the dollar.

Mr. Mahathir said he also may consider reviewing that ringgit peg to the dollar if it "becomes a problem for Malaysia," Bernama, the state news agency reported, quoting Salomon's chief country representative in Malaysia, Yeo Kar Peng.

But Mr. Mahathir said this was not something he would do in the immediate future, Mr. Yeo said.

Mr. Daim said Malaysia would also tap its pension funds to try to raise money and help out its economy.

(Reuters, Bloomberg)

## Employees Halt Work At LG for Second Day

Bloomberg News

SEOUL — Production at LG Semicon Co., which makes about 7 percent of the world's computer memory chips, was halted for a second day Monday by employees opposed to the company's takeover by Hyundai Group, raising the possibility of a chip shortage.

An LG Semicon spokesman said 80 percent of the company's 7,500 workers handed in their resignations to back demands for at least five years of job security after LG is taken over by Hyundai. The spokesman said he did not know when production would resume.

Bloomberg

## Softbank Plans Japan Venture

Bloomberg News

TOKYO — Softbank Corp., a Japanese software wholesaler with stakes in several U.S. on-line companies, said Monday it would establish a joint venture this month with Broadcast.com Inc. of the United States to provide entertainment programming in Japan over the Internet.

Half of the venture, to be capitalized at 550 million yen (\$4.8 million), will be held by Softbank, while 40 percent will be owned by the Texas-based Broadcast.com and 10 percent by Yahoo! Japan Corp., according to a statement released by the companies.

Softbank, Japan's largest distributor

of personal computer software, owns 31 percent of Yahoo! Inc., the No. 1 Internet directory. Softbank and Yahoo! founded Yahoo! Japan Corp., a Japanese version of the popular directory, in 1997.

The companies said the service would be a good medium for advertising. The statement did not say when the new company would begin broadcasting over the net.

Broadcast.com offers, sports, news, music and information over the Internet around the clock, giving users their choice of 345 radio stations and 17 television stations.

## Very briefly:

- Shareholders of PT Indofood Sukses Makmur, Indonesia's biggest food producer, have approved the sale of 60 percent of the company to First Pacific Co. of Hong Kong and Nissin Food Products Ltd. of Japan for \$570 million.
- Taiwan's jobless rate fell to 2.8 percent in December from 2.93 percent the previous month as fewer first-time job seekers entered the work force. Taiwan's total labor force fell 0.1 percent to 9.61 million in December. For all of 1998, Taiwan's unemployment rate fell to 2.69 percent.
- Pohang Iron & Steel Co., the world's second-largest steel manufacturer, said its net profit rose 54 percent to a record 1.12 trillion won (\$955.4 million) in 1998, up from 729 billion won the year before, following increased exports and a stronger won.

Bloomberg

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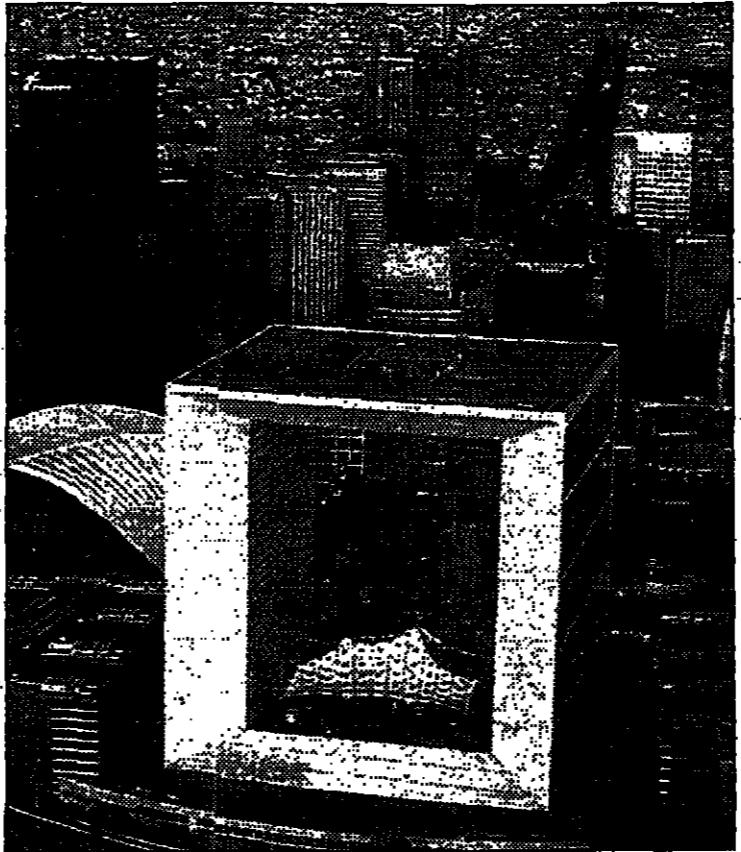
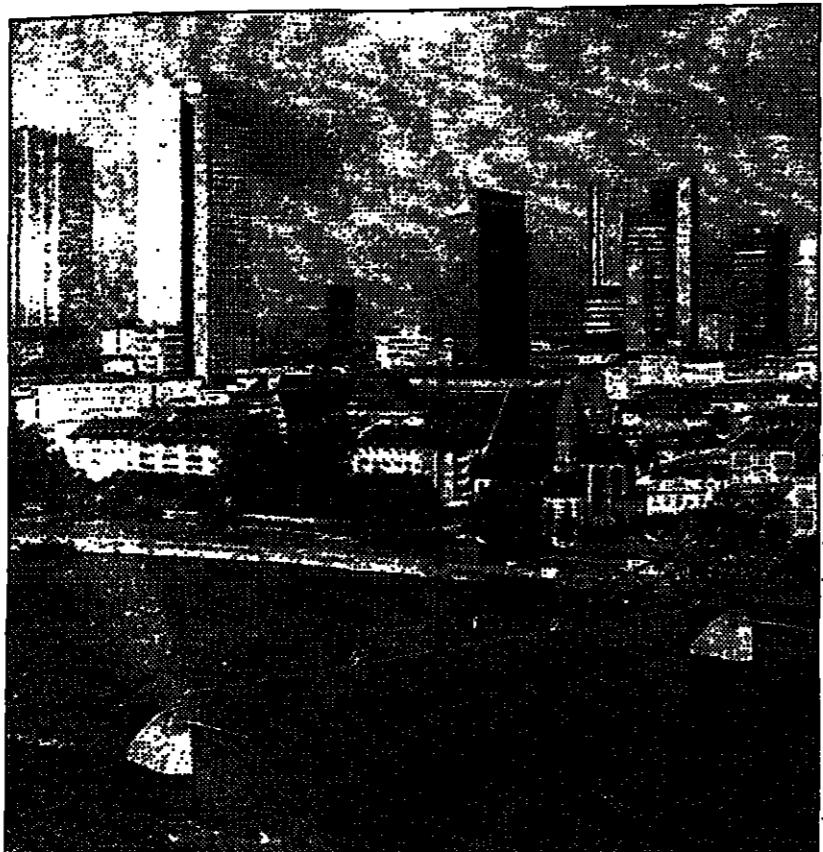
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# INVESTING IN EUROPEAN REAL ESTATE

Institutional investors in real estate are increasingly looking at Europe as one market. The introduction of the euro is fortifying the trend, which is in part driven by investors in the United States. While significant differences remain among national markets, the euro has eliminated currency exchange risk in the euro zone and brought about transparency. Investors can now more easily compare prices and rents in cities like Frankfurt (left) and Paris-La Défense (right).



## AMERICANS SEEK EUROPEAN TIES

Globally active clients are driving the entry of American real estate agencies into Europe.

In the past 18 months, four of the top five real estate service providers in the United States have joined forces with European-based companies. Having already undergone massive consolidation on their own soil, U.S.-based firms are now stretching across the Atlantic to take advantage of overseas opportunities, proving that the world is getting smaller and that the global economy is anybody's game.

**Rush to partnership**  
In December 1997, the battle for the Richard Ellis name began. Insignia/ESG secured U.K.-based Richard Ellis Group as a cornerstone to its fledgling international brokerage base, but Insignia's coup was cut short by CB Commercial's merger with Richard Ellis International Ltd. In one fell swoop, CB Commercial had gained a significant international presence — not to mention a certain cachet — everywhere but in the United Kingdom.

Now called CB Richard Ellis, the firm solved its U.K. problem less than a year later, when it acquired the London-based Hillier Parker May & Rowden.

Cushman & Wakefield, a huge competitor for both CB Richard Ellis and Insignia/ESG domestically, was already involved in an eight-year relationship with the London-based agency Healy & Baker before it recently solidified the partnership with a merger.

Now, industry sources confirm that a merger between Jones Lang Wootton and U.S.-based LaSalle Partners, resulting in what will be known as Jones Lang LaSalle, is due to become official at the end of January.

**Responding to customers**  
CB Richard Ellis, Cushman & Wakefield and Insignia are all in a good position to provide services to corporate users who wish to outsource their real estate dealings.

Alec Monaghan, managing director of European operations for Cushman & Wakefield, is already working with his European counterparts to seamlessly service its global clients.

**Following opportunity**  
"Obviously, when four major U.S. service providers are going into Europe and putting large amounts of money there, they must see great opportunities," says Bill Rothe, senior executive managing director of global research and consulting at CB Richard Ellis. Witnessing firsthand the consolidation thrust in the United States, Mr. Rothe knows all too well the why and how behind Europe's real estate potential.

"Money has been flowing into U.S. real estate from Europe for many years, and it has now become apparent to U.S. investors that capital flows around the world with great ease and is invested in a number of different asset classes, real estate being one

says Mr. Rothe.

Sandra Garcia

## INVESTORS SEE EMERGENCE OF A PAN-EUROPEAN MARKET

The euro will increase investment, liquidity and competition, but differences in national regulations and taxes mean the change will be gradual, not rapid.

**UBK is setting its sights on Paris, having just launched the UBK French Property Company fund, which is expected to acquire assets worth up to \$100 million.**

and more liquid." Property, he adds, "will become like a commodity." Because it will be more tradable, "it should attract more investment."

**More changes demanded**  
Mr. Mallen also expects securitized investments to grow and demands for tax efficiency and reliable pan-European performance indices to become more vigorous. "Overall," he insists, "property will increasingly become a tool of investment, rather than a collector's item."

However, as elsewhere in the industry, he warns that the impact of differing regulations in the individual countries will continue to act as a break on the rapid development of a totally unified market. While removing currency risk "should in theory foster increased investment within Europe and encourage non-European funds and vehicles to enter a more transparent and less risky market, in practice, progress will be incremental."

Uncertainties will remain

regarding European monetary union and the fact that each country still offers a "unique and complex" local property regime. The result, Mr. Mallen concludes, is that while "there are very powerful agents for change, the change is likely to be evolutionary."

**Local rules**

In Mr. Austin's view, "property has always been something very local." While pressure from large users and investors could lead to some practices, such as the drawing up of leases, becoming more standardized, there are as yet "no plans for unifying rules on titles."

Investing in property in Europe "will become more dynamic, varied, complex and more competitive," says Steve Mallen, partner and head of research at Knight Frank in London. "But it will also become more flexible, more fluid

**Property will increasingly become a tool of investment, rather than a collector's item'**

says, "will make for a greater transparency of costs, say, between Frankfurt and Paris," he warns that each market will still offer "different legal and financial conditions and different expenses."

**Pamela Ann Smith**  
In Mr. Austin's view, "property has always been something very local." While pressure from large users and investors could lead to some practices, such as the drawing up of leases, becoming more standardized, there are as yet "no plans for unifying rules on titles."

Investing in property in Europe "will become more dynamic, varied, complex and more competitive," says Steve Mallen, partner and head of research at Knight Frank in London. "But it will also become more flexible, more fluid

### GLOBAL INVESTORS IN EUROPEAN REAL ESTATE SUMMIT

The Global Investors in European Real Estate Summit opens Tuesday in Paris. The two-day conference, organized by the Global Real Estate Institute, brings together institutional investors, real estate companies and multinational corporations.

For more information on the event, look at the Web site [www.globalrealstate.org](http://www.globalrealstate.org).

**Paper or bricks?**

"For the first time there is transparency in terms of rents and investor yields relative to bond yields. That is a very radical departure," says Mr. Sloan. "It is going to make a number of European markets more interesting and improve their liquidity."

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## IT'S 'WAIT AND SEE' FOR THE 'OUTS'

Property yields are beating those of bonds; but is the gap sustainable outside the euro zone?

**A** wait-and-see attitude appears to be prevailing regarding international property investment in the main European Union countries — Denmark, Sweden, Britain and Greece — that remain outside the euro zone. Much will depend on the way in which the currencies of these countries respond to the advent of the euro.

### Who's coming in?

"Our core assumption is that both Denmark and Sweden will become part of the European monetary union," says Roddy Sloan, head of real estate fund management at the United Bank of Kuwait in London, which handles investments on behalf of many Middle Eastern clients. "If you look at the bond yields, that perception also appears to be shared by others in the markets," he notes.

Nevertheless, because there is still some uncertainty about the intentions of Sweden and Denmark, interest rates are tending to remain higher in the two countries — as well as in

Britain — than in Euroland, says Mr. Sloan. As a result, while there is "an unprecedented gap" between the yields on real estate and those on bonds, with property yields higher, there is a "division of opinion on whether this will continue. There is a view that the gap is too big at the moment," he adds.

Meanwhile, he cites Sweden as a place to consider more closely. "Outside Stockholm — almost anywhere — there's a big positive yield gap" between bonds and real estate. Gross yields on property, Mr. Sloan says, are impressive, averaging from 7 percent to 10 percent.

**In uncertain environment, some volatility**  
"The problem in all four countries is one of uncertainty," affirms Steve Mallen, a partner and head of research at Knight Frank, a London-based real estate agency. "We've yet to see how their currencies settle down in the wake of the euro. There will be a certain amount of volatility, and that will make cross-border decisions more difficult. It will be a wait-and-see period."

In Britain, it will be particularly important for investors to consider the timing of any move they make, Mr. Mallen adds. "Sterling could become a hedge currency against the euro and will almost certainly become a playground for market makers," adding still further to the currency's unpredictability. That will also make it difficult, he notes, to forecast future interest rates and levels of inflation and to assess the potential returns of a particular real estate investment.

High interest rates in Britain "have put a damper on residential investments," maintains Nick Orbell, development and marketing manager at Hutchison Whampoa Properties. However, he is optimistic that these rates will come down and produce "very favorable" returns in the U.K. property market.

**For More**

January 1, 1999  
The Shareholders of Haussmann Holdings N.V. Change in Method of Net Asset Value Calculation

The decision has been taken to revise the method by which the Fund's net asset value is calculated for purposes of fixing the price to be used for offers of the Fund's shares, with effect from January 1, 1999. In light of current market conditions, it has been determined to be in the best interests of the Fund to both suspend the imposition of any premium (which has effectively been the case for some time now), and to no longer reflect the "ask" premium, if any, attributable to the shares of other funds in the Fund's portfolio.

Notwithstanding the foregoing, in order not to penalize existing shareholders of the Fund, the calculation of the Fund's net asset value will henceforth reflect the "bid" premiums or discounts, if any, attributable to the Fund's investments. The effect of the foregoing is to simplify the calculation and presentation of the Fund's net asset value and eliminate the "spread" between net asset value, bid and asked price. Henceforth, there will only be one published net asset value which will also be the price used for both offers and repurchases of the Fund's shares.

"INVESTING IN EUROPEAN REAL ESTATE" was produced in its entirety by the Advertising Department of the International Herald Tribune. **Writers:** Sandra Garcia in New York and Pamela Ann Smith in London. **PROGRAM DIRECTOR:** Bill Maher.

# INVESTING IN EUROPEAN REAL ESTATE: LYON

A window of opportunity is open in Lyon for international real estate investors to fill the strong demand for new, modern offices and industrial premises.

The city is a strategic base for international companies, which cite its diversified industrial base, strong academic community and rich cultural environment as reasons for locating there.

In addition, Lyon's logistical platform is at the heart of a dense highway, rail and air transport network offering quick links to regional markets.

**Top:** the Cité Internationale complex. **Bottom:** TGV station at Lyon-Satolas International Airport.



## THE LOGISTICS OF GETTING PRODUCTS TO THE MARKET

Lyon's role as a transport and distribution hub is growing.

**S**ince the time of the Romans, who chose Lyon as their Gallic base because of its highly strategic location at the confluence of the Rhône and Saône Rivers, the city has been a crossroads of trade and ideas.

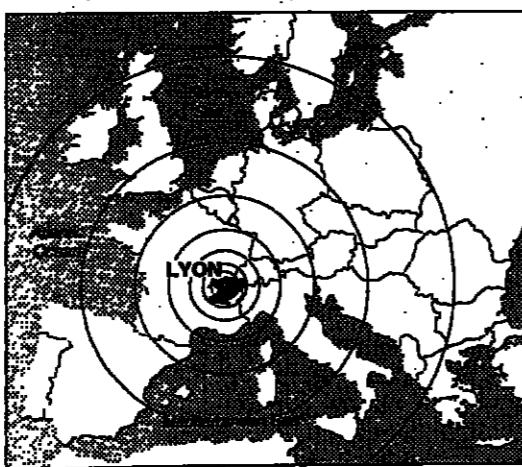
The city continues to capitalize on this asset. "We are taking Lyon's historic position as a crossroads and developing and modernizing it," says Jacques Moulinier, deputy mayor for economic development. "This includes the airport, the roads and the TGV, whose links with Italy, Germany and Spain are being improved."

A glance at a road map makes the reasons for Lyon's region's success as a logistics platform obvious: the city is located at the heart of a "spider web" of highways — France's highest-density highway network — shooting off in every direction. Some 180 million customers are reachable within a one-day truck drive from the city, and two-thirds of European goods crossing France use the region's highways every day. Its proximity to northern Italy and Spain make it a more logical base than Paris for companies looking to reach those markets.

Lyon is also a French rail hub. Paris is only two hours away by the TGV (high-speed train), with 46 daily connections, and London can be reached in six hours, Brussels in four and a half hours, and Geneva in one hour. Marseille will soon be accessible within one hour, and high-speed trains will soon be zipping travelers from Lyon to Turin, Milan and Barcelona in record time.

The Lyon-Satolas International Airport is Europe's largest multimodal platform, with an integrated air, TGV and automobile network. It is currently served by 41 airlines with 80 passenger destinations (45 of them international) and 20 cargo destinations. Some 68,000 tons of freight pass through the airport yearly. Current expansion plans call for the doubling of the airport's capacity, from 5 million to 10 million passengers per year. Air France is making Lyon-Satolas one of its European hubs, second only to Paris.

This explains why so many companies, including Swedish furniture company IKEA, have made the area a distribution base, and why so many logistics and transport companies have done the same. The region now counts 700,000 square meters (7.5 million square feet) of logistical warehouses (modern warehouses with such amenities as computerized control systems, high ceilings and rail connections) of between 15,000 and 25,000 square meters, according to Jean-François Cheron, chief executive officer of Baly Prenot.



becoming more willing to take the risk of building before a buyer is found. "At the moment, this is turning out to be a good strategy as these operations are finding buyers during the construction period," says Mr. Robert.

Cargill Financial Markets, a private international finance company, recently bought a new 22,400 square meter warehouse, built by GEPRIM, in Plaine de l'Ain. "This was a speculative investment," says Robert Balick, Cargill's investment manager in France. "We didn't have any tenants lined up." Potential tenants have already been looking at the property, however, and Mr. Balick is confident that the warehouse will soon be rented thanks to its high quality and flexibility. "There is a strong demand for modern products in this area," he says, pointing out that many industrial parks in France are now out of date. The warehouse has 10 1/2 meter high ceilings and all the latest equipment.

"We believe strongly in the Lyon region," concludes Mr. Balick, "and we are betting on its attractiveness as a logistics center in Europe." ●

## FOR MORE INFORMATION

Look for the International Herald Tribune Sponsored Section, "Business Locations: Lyon," to be published on March 11.

Help for investors:

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## DEMAND FOR COMMERCIAL SPACE OUTPACES SUPPLY

The scarcity of new office stock offers opportunities for investors.

**A**fter many difficult years, real estate markets in European cities are finally on the rebound, and France's second region, Greater Lyon, is no exception to the rule.

According to international real estate agency Cushman & Wakefield's third quarter 1998 report, "The French economy is seeing stronger growth as domestic demand has improved with stable inflation and low real interest rates. This is also encouraging a robust level of corporate investment, which will help to offset the weakening outlook for exports."

In 1997, 23 billion French francs (\$4 billion) were invested in commercial property in France, compared with 10.5 billion in 1996 and 3.3 billion in 1995, according to commercial property company Bourdais. The Lyon region is one of the areas that investors are taking a close look at.

On the upswing

"The market in Lyon is incontestably on the upswing," says Alain Schori, associate regional director of Auguste Thouard real estate agency and vice president of FNAIM Entreprises. A combination of continuing demand and declining supply make Lyon an especially attractive site for real estate investment at the moment. The city's available office space dropped by 13 percent in 1997, to 234,500 square meters (2.5 million square feet). Only 12.6 percent of the available space was new or renovated, a decrease of 48 percent. During the same period, demand remained stable. A similar situation prevails in industrial premises, for which the offer dropped

by 13 percent and demand rose by 3 percent in 1997.

"In 1998," says Mr. Schori, "the volume placed was six times higher than in 1997. Some 48,000 square meters of offices were sold to investors. The total was somewhat less for warehouses — around 30,000 square meters — but that market had already taken off in 1997. There are many new projects in the planning stages, including 120,000 square meters of new warehouse space, that can be delivered within six or seven months once final approval is given."

Since Lyon escaped the explosion of real estate speculation in the late 1980s that left many other cities burdened with unsellable stock, its market is now ripe for development. The lack of new office space in particular represents a window of opportunity for investors.

"Lyon is a site that is once again interesting to international investors," says Mr. Schori. He points out that the Part-Dieu commercial center is of particular interest because of the lack of new office space of at least 2,000 square meters, the size that large companies are looking for. "Companies have no choice but to look at unbuilt space," he says. "This is a market niche that is waiting to be seized, and several foreign investors are looking at new construction."

Mr. Schori says that the warehouse market in the Greater Lyon area is expanding rapidly. "This is a privileged location for logistics," he says, "and there is strong demand from transport companies." The need to renovate existing warehouses that do not have the high ceilings and modern

equipment required by logistics companies today provides another potential investment prospect. "It's all there for anyone who wants to make money," says Mr. Schori.

**Investor interest**  
The Lyon-based Baly Prenot Jones Lang Wootton has been seeing a great deal of interest from German, American and Dutch buyers recently and chalked up 300 million francs in sales to investors in 1998, according to CEO Jean-François Prenot, after a flat year in 1997. The biggest deal was the sale of the 16,000-square-meter Danica building for an overall investment of 185 million francs to

Stavénin, a French life insurance company owned by Crédit Mutuel.

"This was the largest operation conducted in Lyon during the year," says Mr. Prenot.

Because of the demand for new office space, he is seeing clients who are willing to invest in office building projects that are not yet under construction and do not have potential tenants. He points out that the yield for prime office space in Lyon is between 8.5 percent and 9.5 percent higher than what an investor would receive in Paris. The yield on warehouse space is between 9.5 percent and 10.5 percent, about the same as in Paris.

One of the largest investors in Lyon's office property market is Citadel, an English property group that is lis-

ted on the London stock exchange. Citadel owns five office buildings in Lyon, three in Part-Dieu and two in Villeurbanne. The group buys only recent, fully rented buildings, according to Philippe Alexis, director of Citadel Group France, and has had a 9 percent yield on its investment. "We believe strongly in Lyon," he says.

"Demand is strong now, the stock of high-quality new products is low, and the prices are attractive."

**The bottom line**  
Mr. Schori cites several advantages that Lyon has over Paris, beginning with lower prices. New office space that has yet to be built will sell for about 10,000 francs per square meter and rent for between 900 and 1,000 francs per square meter. Existing office space rents for about 750-800 francs per square meter. Comparable rents in Paris are 2,000-2,500 francs per square meter, according to Mr. Schori. That is a major advantage, especially when "Greater Lyon is the second economic region in France, with a GDP almost as high as that of Paris. We have what companies are looking for — very strong educational and research sectors and high-tech industry. We provide an alternative to Paris, but we will never have all the inconveniences that Paris has."

Mr. Schori adds that quality of life is becoming an increasingly important factor for companies choosing a location, and that makes the Lyon region, with its cultural and natural riches and low housing costs, even more attractive. "Greater Lyon is one of the French regions that will show the strongest development," he concludes. ●

## A STRATEGIC CHOICE FOR INVESTORS

Advantages include a strong industrial base and an innovative scientific community.

**G**reater Lyon is an obvious choice for investors, says Jean-Jacques Queyranne, mayor of the Lyonneuse suburb Bron and France's deputy minister for overseas territorial affairs, because of its strategic location at the crossroads of Northern and Southern Europe, its quality of life and its intellectual and industrial dynamism.

With 1.3 million inhabitants and a gross domestic product of 235 billion francs in 1992 according to the French national statistics institute INSEE, the city is situated at the heart of Europe's sophisticated road and rail systems.

The region has a rich industrial tradition and is known for its expertise and innovation in a number of high-tech fields, including health and biotechnology, chemicals, high-tech materials and textiles, agro-industry and the environment.

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"Lyon has enormous potential," says Christian Philip, deputy mayor. "It is an important city in terms of higher education and research, with 100,000 students and major laboratories. It is an important industrial city, notably in the fields of technology, chemistry and textiles. It is an important regional city, capital of the second region in France. It is remarkably accessible, with the Lyon-Satolas airport, the TGV and the highway system."

Greater Lyon offers residents a quality of life that is hard to beat, even in France. In the surrounding Rhône-Alpes region, landscapes vary from Alpine peaks to the famed Beaujolais vineyards and the olive groves of the Drôme Provençal. The lovely city of Lyon, which straddles two rivers, the Rhône and the Saône, boasts historic neighborhoods and an active cultural life that includes world-class theater, opera, dance and museums. It is a city where the living is easy. ●

## WHAT WILL MONETARY UNION DO FOR LYON?

The city is in a good position to capitalize on pricing transparency and the diminishing power of capital cities.

**G**reater Lyon is positioning itself as a center of the Europe of regions, an increasingly important concept as European monetary union becomes a reality and economic power devolves from the traditional national centers.

The advent of the euro may have wide ramifications for Europe's traditional centers of power. As the European Central Bank takes on many of the responsibilities of national financial institutions,

such as, for example, growth in rents and/or capital values."

Alain Schori, associate regional director of Auguste Thouard real estate agency and vice president of FNAIM Entreprises, points out that by making real estate price comparisons easier, the euro will make the lower prices in the Lyon region clearer to foreign investors.

Brice Robert, of the real estate agency Brice Robert Rhône-Alpes, adds that the introduction of the euro "will enable foreign investors to avoid the risks associated with currency fluctuations. This means that we can expect a positive effect in cities that offer good prices and good profitability. Lyon is certainly well-situated in this regard."

Says Jean-Claude Condamin, chairman and chief executive officer of real estate agency Sogelym-Steiner: "Several studies, notably one conducted by Jones Lang Wootton, suggest that the effect of the euro on the European real estate market will be a shrinking in the spread of rates of return, which vary, for example, from between 8.5 and 9 percent in Lyon to 5

percent in Düsseldorf. We may see more homogeneous European rates."

Mr. Robert believes that regional sites will become more important to companies since "they choose the site of their headquarters according to the services it offers, including good air, road and rail connections, office buildings or industrial parks with excellent services; and the availability of housing for employees," all qualities that Lyon offers.

In Mr. Condamin's view, companies are likely to choose two or three principal sites for European bases with a view toward particular markets, such as English-speaking Europe, Eastern Europe or Southern Europe. "This will be a favorable trend for Lyon," he adds.

The joint venture announced last

December, on the eve of the introduction of the euro, by Hoechst and Rhône-Poulenc, two European pharmaceutical and chemical giants, once again put the spotlight on Lyon, the birthplace of Rhône-Poulenc, as a European center and forged new cross-border links between Lyon, Strasbourg and Frankfurt.

Hoechst and Rhône-Poulenc are merging their life sciences businesses into a new company, called Aventis, which has the world's largest research budget and ranks second in the world in the pharmaceutical sector, with annual sales of \$20 billion. Aventis' headquarters will be in Strasbourg, and Lyon will be the international seat of Aventis Agriculture, which will combine all the agricultural activities of Hoechst and Rhône-Poulenc. ●

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WRITER: Heidi Ellison in Paris.

PROGRAM DIRECTOR: Bill Maher.

# SPORTS

TUESDAY, JANUARY 26, 1999

PAGE 20

## WORLD ROUNDUP

## Bologna Releases Top NBA Draft Pick

**BASKETBALL** Michael Olowokandi, the No. 1 pick in the National Basketball Association draft, was released from his contract with Kinder Bologna of the Italian League on Monday, freeing him to join the Los Angeles Clippers.

The center arrived in Italy three weeks ago, signing with Kinder about 24 hours before the NBA and its players came to terms on a deal that ended the owners' lockout.

The deal bound Olowokandi to Kinder until Feb. 15, but a club source said the team had decided to let him go now to save money and because he had failed to make the expected impact.

Olowokandi appeared in six games with Kinder, averaging 7.7 points and 5.8 rebounds.

• Brent Barry, a free-agent guard with Miami and the Los Angeles Clippers last season, joined the Chicago Bulls on Monday, signing a six-year, \$27 million contract.

Barry averaged 9.6 points in three seasons with the Clippers and the Heat. Barry is a former NBA slam-dunk champion and the son of Rick Barry, the former NBA great.

(AP)

## Anonymous Tests Positive

**ATHLETICS** British athletics officials said Monday that a track athlete had tested positive for a banned substance but said his or her identity would not be revealed for now and that the athlete was free to compete in the national indoor championship this weekend.

Jayne Pearce, a spokeswoman for UK Athletics, said two urine samples had shown positive results but said the athlete would not be identified or suspended pending further investigations.

(AP)

## Prosecutor Quizzes Platini

**SOCCER** Michel Platini, the soccer administrator and former star player, met for nearly two hours Monday with an Italian prosecutor looking into the use of performance-enhancing substances.

Platini told reporters that a Turin prosecutor, Raffaele Guariniello, had asked about his five years in the Italian League as a player for Juventus as well as his work as head of the organizing committee for the 1998 World Cup.

"Soccer can not clean itself up on its own," Platini said after leaving Guariniello's office. "The state must be the one to punish those who use drugs."

(AP)

## Toulouse Hires Giresse

**SOCCER** Alain Giresse, who was sacked as coach of Paris Saint-Germain last year, was named Monday as coach of Toulouse, which is struggling near the bottom of the French first division.

The former French international midfielder returns to Toulouse to replace Guy Lacombe.

Giresse coached Toulouse between November 1995 and May 1998 before his short, ill-fated stint in Paris.

Toulouse was beaten over the weekend by an amateur team, Jura Sud Foot.

Lacombe was sacked earlier Monday. He was the sixth French first-division coach to be axed this season.

(Reuters)

## For Agassi, Opportunity Slips By

With Top Seeds Already Gone, He Loses to 'Journeyman' Spadea

By Lisa Dillman  
Los Angeles Times Service

**MELBOURNE** — This lost, and perhaps last major opportunity in a Grand Slam may haunt Andre Agassi in his latest attempt to reinvent himself.

Agassi started the second week here at the Australian Open looking at a field without Pete Sampras, Marcelo Rios, Carlos Moya, Alex Corretja, Patrick Rafter, Mark Philippoussis and Richard Krajicek.

And now, it is without Agassi. On Monday, the door slammed shut on

## AUSTRALIAN OPEN

Agassi in the wide-open Open. The fifth-seeded Agassi lost to the 24-year-old Vince Spadea, a player he once called a classic "journeyman."

Spadea defeated Agassi, 6-1, 7-5, 6-2 (7-3), 6-3, in 2 hours 40 minutes in a fourth-round match on a hot, humid day. The 44th-ranked Spadea, who has never advanced past the fourth round of a Grand Slam, will play Tommy Haas of Germany in the quarterfinals.

On the women's side, the 10th-seeded Steffi Graf of Germany won her fourth-round match in 47 minutes, defeating Barbara Schett of Austria, 6-1, 6-1. The sixth-seeded Monica Seles also won her match in 47 minutes, beating the 14th-seeded Sandrine Testud of France, 6-0, 6-3, losing just five points in the first set.

Facing the most difficult test was the

second-seeded Martina Hingis of Switzerland, who defeated the 16th seed, Amanda Coetzer of South Africa, 6-3, 6-7 (7-4), 6-1, in 2 hours and 9 minutes.

On the men's side, upsets and injuries left the Open with Karol Kucera of Slovakia as the highest remaining seed, at No. 7. Todd Martin, the No. 15 seed, beat the unseeded Zimbabwean Wayne Black, 7-6, 6-4, 6-4. Yevgeni Kafelnikov of Russia defeated Andrei Pavel of Romania, 6-3, 7-6 (7-5), 6-7 (5-7), 3-6, 6-4.

"It's hard to shake off any loss," Agassi said. "It always stays with you, and Grand Slams more than anything else. It's real disappointing. Grand Slams are opportunities to do something great. You put a lot of pressure on yourself."

Early on, Agassi looked unsettled. His service was broken at 15 in the opening game and he never truly looked comfortable, missing a host of easy shots and blasting overheads wide and in the net. On the last two points of the match, he barely moved to chase down Spadea's shots.

Spadea played down his victory: "I guess it's the biggest accomplishment to date. To be poised and to get through the match confidently was something I was pleased about."

The other day, Spadea chuckled when the "journeyman" comment was mentioned. But he hasn't been dwelling on it. "The 'journeyman' part is kind of water under the bridge," he said. "It was way back at the Lipton, almost a

year ago. Everyone has moved on."

Agassi will have to do so now, trying to get past another disheartening Grand Slam. And, at age 28, chances like this may be fewer and farther between.

Other than Hingis, the top women had no such trouble. Seles and Graf will play in one quarterfinal, and they have been making the same sort of progress here — difficult third-round matches and easy fourth-rounders.

"It's the right time, I guess," said Graf, who had just four unforced errors in the second set. "The last two matches, I didn't play up to my potential and today I just went out there and I had a little better attitude, and said, 'OK, I'm going to go for my shots.' And I knew I had to play better if I wanted to bear her because she had had a couple of very good tournaments."

The symmetry between Graf and Seles makes sense. They have been taking measure of one another since 1989 and will be meeting for the 14th time on Wednesday in the quarterfinals. Graf leads the series, 9-4.

The seventh-seeded Mary Pierce advanced with a 6-0, 6-4, victory over Anna Kournikova of Russia, the 12th seed. Pierce, the 1995 Open champion, was never in distress against Kournikova, who twice received court-side treatment for a right-shoulder injury during the second set.

The Russian had an unhappy tournament and served an embarrassing 31 double faults in an unconvincing second round victory over Miho Saeki.



AP Wirephoto

Andrei Pavel stretching to hit a return to Yevgeni Kafelnikov on Monday.

## SCANDAL: IOC Chief Defends Himself and Pledges Probity

Continued from Page 1

would take "personal responsibility for seeing these reforms enacted."

But whether Mr. Samaranch possesses the energy and determination to push through the reforms remains open to question. As he announced the executive board decisions to banish the six members and change the site selection process, Mr. Samaranch seemed at times weak and disoriented, his hands trembling with symptoms of what associates describe as a Parkinson's-like disease.

During the interview, Mr. Samaranch dismissed charges that he lacks the will and the strength to persuade recalcitrant IOC members to sacrifice their most prized privileges. As a trial experiment for the 2006 Games, a new 15-member election body, including athletes and sports administrators, will choose the host city. The membership body as a whole will lose its claim to voting rights and first-class inspection tours of competing sites. No IOC executives will be invited to step down."

He angrily rebuffed Mr. Helmick's suggestion that he should retire two years before his fifth presidential term is set to expire, saying, "Criticism from someone with his guilt has no kind of value for me. This is a man who would have been expelled from the movement if he did not resign."

The IOC president denied any laxity and said he chased down every serious allegation of corruption, but that until the Salt Lake City case he never came across any solid proof of improprieties.

"We always heard rumors but never had any facts," he said.

Mr. Samaranch has called for a vote of confidence from IOC members when they gather here for an emergency meeting on March 17 and 18 to decide on the expulsion of six members accused of taking illicit favors and how to reform the way that cities are chosen to host the Olympics. But he anticipates a strong endorsement. "I am sure their reaction will be positive," he said.

But he acknowledged that he failed in the past to persuade the IOC members to surrender selection rights to the executive board, which Mr. Samaranch claims would bring the Olympics into line with other sports federations. "For many years I did my best to convince them this was the best way, but the members refused," he said.

Indeed, there appears to be no groundswell of sympathy within the IOC calling on Mr. Samaranch to fall on his sword — largely because of the strong loyalties he commands from the many members he appointed. Even his most ambitious rivals for power, including the heir-apparent Dick Pound, the IOC vice-president who led the corruption investigation, have reaffirmed their faith in seeing him carry the Olympic banner into the new millennium.

"I am certain that the Olympic movement will emerge from this crisis stronger than ever," Mr. Samaranch said. "We will do whatever is necessary to protect the integrity and ideals of the Olympic Games." He added that he

IOC will have to give us the means to compensate the young athletes of our

city," said Jean-Paul L'Allier. He said the city did not have a strong enough legal case to sue the IOC, a move it had contemplated.

L'Allier said that if Quebec is not compensated, it will refuse to bid for the Olympics again.

• Margaret Olofsson, a deputy mayor of Stockholm, said Monday that the Swedish city should demand a refund for the costs of its failed bid for the 2004 Summer Olympics.

## Quebec City Will Ask for Its Money Back

Reuters

**QUEBEC CITY** — The mayor of Quebec City said Monday that the city would ask the International Olympic Committee to reimburse the 1.2 million Canadian dollars (\$7.9 million) that the city spent mounting a bid for the 2002 Winter Olympics. The Games were allocated to Salt Lake City.

"To re-establish its credibility, the IOC will have to give us the means to compensate the young athletes of our

city," said Jean-Paul L'Allier. He said the city did not have a strong enough legal case to sue the IOC, a move it had contemplated.

L'Allier said that if Quebec is not compensated, it will refuse to bid for the Olympics again.

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## IOC Envoys to Visit Sydney On Fact-Finding Mission

By Christopher Clarey  
International Herald Tribune

**SYDNEY** — The International Olympic Committee will send a vice president, Jacques Rogge of Belgium, and its director-general, Francois Carrard, to Sydney in February on a previously unscheduled visit that is being billed as both a fact-finding tour and a public relations mission.

Just don't call it an investigation, at least not in front of Sydney Olympic officials.

"We don't have the impression that Sydney is under an investigation," said Sandy Holloway, the chief executive officer of the Sydney Organizing Committee. "My overall impression is that the IOC is interested in tying up loose ends."

Holloway said he had been reassured by Kevan Gosper, the IOC vice president from Australia, that the visit of the IOC envoys did not represent a formal inquiry. But according to the IOC's president, Juan Antonio Samaranch, Carrard and Rogge — the latter is chairman of the IOC's coordination commission for the 2000 Games and has visited Sydney frequently — are coming to Sydney "to know what exactly is going on and what happened."

Samaranch said they were also coming "to assure the people of Australia that they have our support for the staging of the Olympic Games."

The city has already spent hundreds of millions of dollars on new venues, but last Friday, John Coates, a key member of the bidding team and president of the Australian Olympic Committee, released documents that showed he had offered a total of \$70,000 in aid for sports programs to

two IOC members: Charles Mukora of Kenya and Major General Francis Nyangweso of Uganda, on Sept. 22, 1993, at a Monaco hotel. That was the night before Sydney defeated Beijing, 45-43, on the final ballot.

Coates has said he made the offer, which was staggered over a seven-year period, because he felt he needed to shore up Sydney's support in Africa. But Coates said the inducements, which were made in the name of the Australian Olympic Committee, did not constitute bribery or break IOC rules because they were between National Olympic committees and not individuals. Gosper has said that the payments were an extension of a program that already had committed approximately \$1.9 million to 11 African nations.

IOC regulations do not prohibit sports exchanges between national Olympic committees, but the question is whether Mukora or Nyangweso benefited personally from the payments.

Mukora, president of the Kenyan Olympic Committee, is one of the six IOC members facing expulsion. In its report on the Salt Lake City inquiry, the IOC ad hoc commission concluded that Mukora accepted direct payments totaling \$34,650 "for his personal benefit." Mukora maintained that the payments were for sports activities in Kenya and that the money was put into a trust, but the IOC concluded that the trust in question benefited Mukora, Major General Nyangweso of Uganda, the other IOC member to whom Coates committed \$35,000 on the eve of the vote, has not been implicated in the Salt Lake City inquiry. The money from Sydney for Uganda was earmarked for the Ugandan National Games.

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## SPORTS

# North Americans Capture NHL All-Star Game, 8-6

Gretzky, With a Goal and 2 Assists, Is Named MVP

By Rachel Alexander  
Washington Post Service

TAMPA, Florida — The North American team won an open high-scoring, loose-checking All-Star Game that ended with Wayne Gretzky being named the All-Star's star again.

Defending the title they won in last year's contest, the first to use the international format, the North Americans jumped ahead early Sunday and never trailed. They won, 8-6, and claimed \$250,000 in prize money.

Gretzky, looking 18 rather than 37, was named the game's most valuable player, finishing with a goal and two assists. He also turned in the game's best shift, electricity his team in the third period.

"There wasn't a lot of hitting," said Peter Bondra, who played for the World team. "But that's what happens when you get a lot of skilled players together."

Mostly, it was just a lot of fun." While most players said they liked the format of North Americans versus the rest of the world, there are inconsistencies in the selection process.

With more than 70 percent of the league hailing from Canada and the United States, more players are competing for the spots on the North American roster than on the World team.

"Last year it wasn't fair but this year it is," said Ken Hitchcock, the North American team's coach, who was in charge of the World team last year. "But this was a competitive game, and the players are into this."

The contest featured intense playmaking and little defense. There wasn't a penalty until the third period when Al MacInnis of the North Americans was called for tripping.

North America took the lead at 4 minutes and 9 seconds of the first period on a goal from Dal-

las' Mike Modano. The World

team then tied the score about

five minutes later on a goal that came off the stick of a North American defenseman, Rob Blake. The goal was credited to the San Jose Sharks' forward, Marco Sturm.

North America then scored

five straight goals, the last by

Gretzky, to take a 6-1 lead at 1:14

of the second period.

The World team narrowed the

gap to 7-4 in the second period.

Then, in the third, Mats Sundin

scored to make it 7-5. But North

America's Darryl Sydor replied

to make it 8-5 before Sergei

Zubov closed out the scoring.

As the game wound down,

Gretzky put on one last display,

an amazing shift that included

several passes from his favorite

spot behind the net, much to the

delight of both teammates and

opponents. Afterward, Gretzky

said he would keep the 1999

Dodge Durango hat he came as the

prize for MVP. "In my career, I

think I have won 16, maybe 17

cars, and I've given them all

away," he said. "I want to keep

this to be a reminder of the game.

After 21 years of professional

hockey, 20 in the NHL, I just feel

this is the one thing I want to

keep. I want to have it and I want

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## ART BUCHWALD

## A Record for Crazies

NEW YORK — Good evening, this is Harry Morrison of CNN. We are in the living room of Andy Haas in Queens, New York. Andy has just broken into the *Guinness Book of Records* by watching every principal in the Senate presidential impeachment trial make his presentation.

He has vowed he would watch all of the Senate proceedings, as well as the president's defenders, without going to the bathroom. Doctors, psychologists and political experts said it was impossible to listen to all the speeches and maintain one's sanity.

With Andy are his wife, Dahlia, and his children, who witnessed Andy's fear and begged him not to continue.

As you can see, after his ordeal, Andy is not in good shape. He is mumbbling to himself, and there is foam on his lips.

"Andy, you have heard 12 speakers. Do you believe that President Bill Clinton has committed a high crime or a misdemeanor?"



"Hrrmmmmhrrum..."  
"What did you say?"  
The doctor rushes over and takes his pulse. "He's getting dehydrated. Give him water."

"Dahlia, are you proud of your husband?"  
"I think he's crazy. No one could listen to that many speeches and hope to come out of it the way he went in."

"Andy, since you are the only viewer left who has heard all the presentations, do you have a message for us?"  
"I regret I have only one life to give to my country."

"Very good, Andy. Do you plan to listen to the witnesses as well?"  
"Give me liberty or give me death."

"Now let's go to the children. Kids, what do you think of your father's determination to listen to all the protesters' cases?"  
"He lost his job because he won't go to work. His eyesight is shot and so is his hearing. But that's the way Dad is. When he puts his mind to giving up all the facts concerning alleged sex in the White House, he's a real Larry Flynt."

## Ingres on View at National Gallery

New York Times Service

LONDON — For those attracted to the great, the brilliant, the crafty and the vain, the place to be starting Wednesday is the National Gallery, where some of the 19th century's greatest, most brilliant, craftiest and vainest figures will come to life in "Portraits by Ingres."

The exhibition, through April 25, is billed as the first outside France to assemble the painted and drawn portraits of Jean-Auguste-Dominique Ingres (1780-1867), perhaps the most accomplished portraitist of his time.

Among some 40 painted portraits and 50 of the artist's finest portrait drawings are many of his best-known works, drawn from museums and private collections in Europe and the United States.



Fernanda Montenegro holding Vinícius de Oliveira, who holds the Golden Globe for best foreign language film awarded to "Central Station."

## In Brooklyn, Russian Jokes Keep Their Sting

By Susan Sachs  
New York Times Service

NEW YORK — Everyone's a comedian. Wander along the boardwalk in Brighton Beach, as a team of young immigrant comics does for their twice-monthly television show. Shove a microphone at any ordinary-looking guy in a fur hat. Has he got a joke for you? Has he got a joke for you? Has he got a joke for you? Has he got a joke for you?

Humor, the elixir that helped relieve the aches and pains of life in the former Soviet Union, has survived the Russian immigrants' voyage to Brooklyn. Not only are the streets filled with wags; the Russian newspapers are filled with page after page of jokes.

The Russian-language television and radio station, WMNB, broadcasts two locally produced comedy shows. Transplanted Russian comics work the private-party circuit, while the most successful of the New York City immigrant troupes, Kanotye, fills the 600-seat National restaurant in Brooklyn every night the group opens a new variety show.

But just because the Russians are laughing a lot, it doesn't mean they think life is so good here. What would be funny in that?

"It's the nature of Russians to take everything with a little bitterness and a little humor," said Valentin Polyakov, a member of Kanotye. "There's a comedy in that."

The line between laughter and tears was always paper-thin in Russia. Tragedy flavored comedy and gave it its sting. Humor survived Soviet censors and even thrived on adversity, shaped into something subtle and delicious in the hands of comedians who disguised their punchlines in a double entendre or a judicious pause.

It is difficult to transplant that kind of underground humor to a country where anything and everything goes in comedy. What's the point of subtlety, many of the older immigrant comics complain, when everyone is free to complain out loud?

"Forbidden fruit is always sweet," said Albert Levin, a well-known Soviet-era comedy writer who immigrated to Brooklyn two years ago to join his son. "When we had censors and it was forbidden to joke, it was easier to find things to joke about."

But Levin is making the best of a good situation. He has begun to revel in the Jewish jokes and the Yiddish intonations that he was forbidden to use for most of his career (the majority of the 400,000 or so Soviet immigrants in New York City are Jewish or have Jewish spouses).



Yuri Sychev, Yelena Khanga, Simon Simarov, and Edward Kamenetsky.

He does his stand-up routines at bar mitzvahs, Jewish centers and private gatherings of Russian-speakers — "to keep in sporting shape," he said — and he writes a humor column for several local Russian newspapers.

Levin has also thrown himself into the task of learning English, but he can't find anyone to practice with. This is not a joke in Brighton Beach, there are signs in store windows that advertise: "English spoken here." Everyone speaks Russian, Levin complained with a smile, including the Chinese merchants.

Old age and grouch jokes aside, Russian comics are finding their richest material in that unfathomable region where the immigrant collides with American bureaucracy, Medicaid, welfare, traffic rules, the tyranny of the Immigration and Naturalization Service officer who administers the citizenship test — these are the new surreal aspects of many immigrants' lives.

Comedians have managed to spin endless variations on the theme. One of the favorites pokes fun at elderly immigrants who want American citizenship but don't want to learn English and civics for the INS test. Jokes about their search for a doctor to attest that they are incapable of learning were funny. "From now on, it's either-or," laments Simon Simarov, one of the stars of the Kanotye comedy troupe, in a routine he performed recently on stage. "I just got a paper from the doctor that I'm not capable, and now of all the sudden they have Viagra!"

Simarov can pull this off better than most. He started out as a tap-dancer in Odessa at the age of 14. He is now a spry 82 and plays the role of a slightly befuddled immigrant grandfather to the hit. His eyebrows ascend in wonder. His voice becomes querulous. To be "capable," he debates with himself and the audience, or not to be?

"My wife," continues Simarov, "tells me, either take the Viagra and let's go to bed right away or take your sleeping pill, which doesn't work anyway, and study English all night long."

Kanotye, which is Russian for the straw hat or boater, that the performers wear in their revues, is the only local Russian immigrant comedy troupe with a regular paying gig. The writers are Edward Kamenetsky, a former Moscow producer who is also Si-

marov's son-in-law, and Yuri Sychev, who worked with Kamenetsky in prize-winning Soviet comedy shows.

They also fill the principal roles in each of Kanotye's ever-changing revues. The other lead players are Simarov and Yelena Khanga, a former journalist who still flies back to Moscow every few months to host a sex talk show on Russian television.

Kanotye takes over the Nasional restaurant for one Thursday night every three and a half months to introduce a new revue. The performers, who mix dance, music, skits and stand-up routines in the style of Soviet variety shows, have developed a loyal following of Russian-speaking fans who can afford the \$40 cost of a meal and cover charge.

"We realized that Russian people don't go to American comedy clubs even though their English might be good enough," said the round-faced Kamenetsky, who works by day as an advertising executive in Manhattan. "We saw that the humor of Russian people has its own social and historical roots and doesn't relate to American humor."

In the Kanotye repertory, the humor is indeed particular and would be hard to translate. Kamenetsky and Sychev write what is often a universal style of satire about Russian immigrants, but they carry the joke further for their audiences by putting the satire to the music of classic Soviet films, the Russian Civil War and the Young Pioneers.

Much of the Russian comedy being broadcast and performed now would be recognizable in translation, to anyone familiar with Borscht Belt humor, which itself was inspired by the brand of self-deprecating and family-centered humor brought over by Russian Jewish immigrants early in the century. The mother-in-law jokes, the vaudeville-style one-liners and the wry treatment of anti-Semitism — all hallmarks of Odessa, the port city still considered by Russians the font of all real humor — sound familiar, edited only for context.

For instance, when the hosts of the television show "Prosto Anekdot" (Just Joking) intercepted a Russian strolling on the Brighton Beach boardwalk, he told the old chestnut about three men on an airplane. In his joke, they are a Communist, a Fascist and a Russian Jew. God tells them he will grant each one a wish. The Communist wishes that all Fascists would disappear from the earth. The Fascist wishes the same for all Communists. The Jew says, "If you are going to grant their wishes, I'll just take a cup of coffee."

## PEOPLE

for best foreign language film.

THE Golden Globe Awards were presented in Beverly Hills, California, on Sunday and the prize for best motion picture musical or comedy was given to "Shakespeare in Love," a whimsical imagining of how the playwright found his inspiration for "Romeo and Juliet." It also took the award for best screenplay, by Marc Norman and Tom Stoppard. The award for best dramatic movie went to the World War II drama "Saving Private Ryan," and the best director award went to its director, Steven Spielberg. The award for best actress in a drama went to Cate Blanchett for her depiction of the British monarch in "Elizabeth," and the Globe for best actor in a drama went to Jim Carrey for his role in "The Truman Show." Michael Caine took the award as best actor in a musical comedy for his role as the slick, small-town booking agent, Ray S. in the movie "Little Voice." Gwyneth Paltrow won as best actress in a musical or comedy for her part as Shakespeare's muse in "Shakespeare in Love." Brazil's "Central Station" won

man court last month ordered the prince to pay \$8,700 to a cameraman he had attacked with an umbrella in 1997.

Britain's 93-year-old Queen Mother had an emergency operation on Sunday to stop a serious nosebleed, the Mirror newspaper reported. The mother of Queen Elizabeth II was rushed to a

hospital for the hour-long operation. Buckingham Palace had no comment.

## Smithsonian's Leader Heyman Will Retire

New York Times Service

WASHINGTON — L. Michael Heyman, a legal scholar and university administrator who has led the Smithsonian Institution since 1994 through a period of growth and arguments over academic freedom, will retire, officials of the institution say.

Heyman's retirement as secretary of the Smithsonian, to be announced formally at Monday's meeting of its board of regents, opens one of the nation's most coveted cultural positions. A search is likely to attract candidates from science, education and the arts.

It is a chore that the regents are not often called up to perform. Since the Smithsonian was founded in 1846 with a bequest from James Smithson, a Briton who had never seen the United States, Heyman, 68, was its 10th secretary.

(go down in history)

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